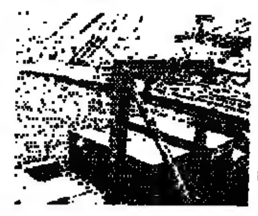
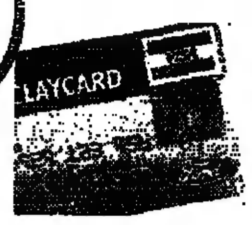
UNIVERSITY OF JORDAN SERIALS DIVISION

Information highways
US aims to solve regulation maze
Page 13



Quay to success
Pioneer port in Singapore
Page 10



Car wars, card wars
Why Barclaycard and Ford got together
Page 9

Guerre scolaire
Tug of war in France's schools
Page 3

FINANCIAL TIMES

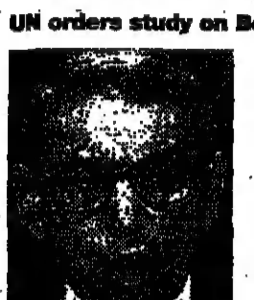
Europe's Business Newspaper — THURSDAY JANUARY 13 1994

Democrats add to pressure on Clinton over property funds

US president Bill Clinton was expected to give in to mounting political pressure yesterday and ask attorney-general Janet Reno to appoint a special counsel to investigate his involvement with a bankrupt Arkansas savings and loan institution in the 1980s. The call may be Mr Clinton's last hope of getting the issue behind him before Congress returns to Washington in a fortnight's time. Page 14; Come-clean calls, Page 6

Vatican bank bribes link alleged: Luigi Bisignani, Ferruzzi's former head of external relations, told a court hearing of the first big prosecution in Italy's political corruption affair that he had used the Vatican bank to channel alleged bribes from the industrial group to secret accounts outside Italy. Page 14

UN orders study on Bosnia air strikes



United Nations secretary general Boutros Boutros Ghali (left) ordered a preliminary study on the use of air strikes in Bosnia against Serb targets to help clear the way for food drops to besieged Moslem enclaves. British prime minister John Major said those who impeded UN operations in Srebrenica and Tuzla had to realise that "force is available" to support relief efforts. Page 2

US producer prices fall: A sharp fall in energy costs, reflecting lower world oil prices, led to a decline in US producer prices for finished goods last month, the third fall in the past six months, the Commerce Department reported. Page 6

ICI pulls out of Du Pont joint venture: UK chemicals company Imperial Chemical Industries has pulled out of a $75m joint venture in Germany with US chemicals company Du Pont to produce paint used in car manufacture. Page 15

French nuclear group to be sold: The French government launched the privatisation of nuclear power station group Framatome through a limited tender offer. Page 15

Japanese unions seek 6% pay rise: Japan's trade unions demanded pay rises of 5-6 per cent, saying they would stimulate growth and pull Japan out of recession. Last year, wage increases averaged 3.89 per cent. Page 4

Yeltsin aide fails to win vote: Vladimir Shumeiko, a key aide of Russian president Boris Yeltsin, failed in the first vote to become speaker of the upper house of parliament as regional leaders gave almost equal support to an ultra-nationalist candidate. A second vote will be held. Page 2

Record earnings for Fannie Mae: The US Federal National Mortgage Association reported record fourth-quarter profits of $493.6m and predicted that the housing market would continue its strong recovery. Page 17

Banco Popular profits up 7%: Spanish bank Banco Popular reported net profits of Pta58bn ($401.5m) last year, a rise of 7.3 per cent on 1992, despite being particularly exposed to Spain's sharply falling interbank rate and the enduring recession. Page 16

Rémy Cointreau, French drinks group, reported a 24 per cent increase in first-half net profits and said it expected full-year results to be ahead of last year's despite slower growth in the third quarter. Page 15; Lex, Page 14

Chiapas ceasefire ordered: Mexican president Carlos Salinas ordered an immediate unilateral ceasefire in the southern state of Chiapas after the army claimed to have regained control of former rebel strongholds. Page 6

Emirates airline discloses first results: Dubai state-owned airline Emirates reported net profits of Dh10.6m ($2.9m) for the year to March 1993. It is the first time the airline has disclosed results since it was set up nine years ago. Page 18

Rise in investment for Vietnam: Vietnam, which has been liberalising its economy for five years, approved foreign investment projects worth $2.86bn last year, a rise of 47 per cent over 1992, the government said. Page 4

Korean carmaker launches US challenge: Kia Motors, second-placed South Korean carmaker, is to begin selling cars in the US next month and plans to have a coast-to-coast franchise by the end of 1995. Page 5

■ STOCK MARKET INDICES		
FT-SE 100:	3372.0	(-41.8)
Yield	3.49	
FT-SE Eurotrack 100	1475.08	(-18.73)
FT-A All-Share	1675.86	(-1.0%)
Nikkei	18793.88	(+308.69)
New York lunchtime:		
Dow Jones Ind Ave	3841.03	(-9.25)
S&P Composite	473.22	(-0.91)

■ US LUNCHTIME RATES	
Federal Funds:	2 15/16%
3-mo Treas Bills: Yld	3.063%
Long Bond	101 1/4
Yield	6.153%

■ LONDON MONEY		
3-mo Interbank	5 7/16%	(5 7/16%)
Liffe long gilt future:	Mar 119 1/32	(Mar 118 23/32)

■ NORTH SEA OIL (Argus)		
Brent 15-day (Feb)	$13.665	(13.79)

■ Gold		
New York Comex (Feb)	$ 386.9	(388.7)
London	$386.2	(385.25)

■ STERLING		
New York lunchtime:		
$	1.503	
London:		
$	1.5013	(1.4913)
DM	2.6072	(2.5944)
FFr	8.8648	(8.8217)
SFr	2.2054	(2.2033)
Y	168.789	(167.743)
£ Index	82.9	(82.5)

■ DOLLAR		
New York lunchtime:		
DM	1.73495	
FFr	5.89975	
SFr	1.46585	
Y	112.3	
London:		
DM	1.7366	(1.7398)
FFr	5.9048	(5.9156)
SFr	1.469	(1.4775)
Y	112.415	(112.485)
$ Index	67.5	(67.7)
Tokyo Close Y 112.19		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.50	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr18
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Peso60	Syria	S£50.00
France	FFr8.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Esc225	Turkey	L10000
						UAE	Dh12.00

Italian prime minister fights no-confidence motion

By Robert Graham in Rome

Mr Carlo Azeglio Ciampi, the Italian prime minister, yesterday sought a strong mandate from parliament to run a caretaker administration in the run-up to early elections.

The former governor of the Bank of Italy made the plea to avoid a destabilising power vacuum when he opened the debate on the no-confidence motion presented by Mr Marco Panella, the Radical leader.

The outcome of the debate last night remained uncertain, but it seemed unlikely that the Christian Democrats would succeed in prolonging the life of parliament until European parliamentary elections in June. Mr Umberto Bossi, leader of the Northern League, said he would be withdrawing his party's deputies and senators from the legislature.

The League's withdrawal underlined the fact that the current legislature, elected in April 1992, had reached the end of its natural life, according to Mr Bossi. This, coupled with the hostility of the former communist Party of the Democratic Left (PDS) to prolonging the present parliament, will put strong pressure on President Oscar Luigi Scalfaro to call elections for early April at the latest.

Mr Ciampi avoided announcing his resignation, but made it clear he had completed the limited objectives of his original mandate when he accepted the post of prime minister in April last year.

In a carefully worded speech, Mr Ciampi appeared anxious to ensure the no-confidence motion was defeated, at the same time making sure all his options were kept open.

His supporters said it was important to defeat the no-confidence motion since this would give him more authority to run a caretaker government. Mr Ciampi himself made frequent reference to the need to maintain Italy's international credibility. He said his government had no power to influence parliament on early elections, but warned of the dangers of a political vacuum.

The no-confidence motion has been backed by a hard core of the four-party Christian Democrat-led coalition that has been formally backing the Ciampi government. The aim of prolonging the life of the current parliament has a twofold purpose: to allow time for a hopelessly divided Christian Democrat party to reform and to exploit as long as possible parliamentary privileges that help protect deputies from prosecution for corruption. One in six members risk prosecution on corruption charges.

However, the four-party coalition has never had a majority of more than 16 votes and it looked unlikely last night all would back the Panella no-confidence motion. As an alternative, some Christian Democrats talked of presenting a counter-vote in the form of a confidence motion.

Vatican bribes link, Page 11

Balladur to visit China as mutual ties improve

By John Ridding in Paris

France moved to repair its strained relations with China yesterday, announcing that it would authorise no further arms sales to Taiwan and that Mr Edouard Balladur, the French prime minister, would pay an official visit to Beijing within the next few months.

In a joint statement issued by the French government and by Xinhua, the official Chinese news agency, the two countries said they sought a "total normalisation of relations and the restoration of warm ties". French officials said the return to close political links would add impetus to trade and investment and end discrimination against French companies seeking contracts in China.

Relations between the two countries have been strained since the end of 1992 after a decision by France to sell 60 Mirage 2000-5 fighter aircraft to Taiwan in a deal worth an estimated $2.6bn. China responded by closing the French consulate in Guangzhou, one of the strongest actions taken by Beijing against a western nation.

Although the Mirage aircraft have not yet been delivered to Taiwan, the sale is set to go ahead. "Commitments made in the past will be honoured," said Mr Alain Juppé, the French foreign minister. Similarly, a contract for six frigates concluded with Taiwan in September 1991 will be unaffected.

The joint statement, however, reflected France's desire to reassure Beijing about its future relations with Taiwan. "France has confirmed that it recognises the government of the People's Republic of China as the sole legal government of China, and Taiwan as an integral part of Chinese territory," the statement said. "In view of the concerns of the Chinese side, the French government has undertaken not to authorise any French company to participate in the arming of Taiwan."

Yesterday's announcements also reflect France's desire to participate in China's rapid economic expansion. Several French industrial groups, such as PSA Peugeot-Citroën, already have substantial investments there. Other companies, such as Aérospatiale, the aircraft manufacturer, are eager to break into the Chinese market.

Such hopes will be encouraged by the strengthening of diplomatic ties. A statement on Xinhua said that Beijing would "welcome participation by French companies in competition on the Chinese market on an equal footing."

No date was set for the visit of Mr Balladur, but French officials said the French prime minister would probably travel to Beijing in March.

The rapprochement between Paris and Beijing was arranged by Mr Jacques Friedmann, a friend of Mr Balladur, who was appointed chairman of Union des Assurances de Paris, the state-owned insurance group, at the end of last year. Mr Friedmann made two visits to China, in July and December last year, to prepare yesterday's accord.

US offers economic aid but no timetable for alliance membership

Clinton opens Nato door to eastern Europe

By Jurek Martin and Patrick Blum in Prague

US president Bill Clinton said yesterday it was "no longer a question of whether" Nato would acquire new members in eastern Europe "but of when and how".

The Partnership for Peace adopted by the Nato summit earlier this week was "not a permanent holding group", he said after bilateral meetings in Prague with the leaders of the Visegrad group of countries - the Czech Republic, Poland, Hungary and Slovakia - which are generally considered to head the queue for Nato membership.

But Mr Clinton told them that while he saw "a clear link" between the partnership and eventual accession to the alliance, he had advanced "no promises, no criteria and no timetable", and had not, according to a White House official, raised the question of "explicit security guarantees".

In their public remarks the Visegrad leaders did not dissent from the president's views. President Lech Walesa of Poland said he had found the session "most gratifying", while President Vaclav Havel of the Czech Republic welcomed the partnership as "a good departure in the Nato quest for a new identity" and promised his country would work "quickly and energetically" to prove itself "worthy of membership".

But he added that while "it is not possible or desirable to isolate Russia, we are independent states who decide our own affiliations and policies".

Mr Clinton still felt it necessary to sweeten the pill of any disappointment by offering a modest programme of economic assistance to the Visegrad Four intended to encourage both national economic reform and regional integration.

This, a White House official conceded, involved "more know-how than money", though it included some concrete proposals. Chief among them is an increase from $50m a project to $200m in the cover provided by the US Overseas Private Insurance Corporation.

The US will also set up a $30m programme, drawn from existing funds and known as the "democracy network", designed to bring together US and eastern European organisations engaged in education, legal and social reform.

As an earnest of his intent to preach the business gospel wherever he goes, Mr Clinton spoke yesterday in the Prague branch of Kmart, the US discount store chain, to an audience of Czech entrepreneurs as well as representatives of the thousands of Americans pursuing business ventures in the republic.

President Clinton (left) visits the Jewish cemetery in Prague before talks with east European leaders Reuter

Pressure on Clinton mounts over property funds, Page 14

Metallgesellschaft insists on refinancing as package

By David Waller in Frankfurt

Metallgesellschaft, the German metals, mining and industrial group, strengthened pressure on its 120 bank creditors yesterday, saying if they did not accept the entire proposed DM3.4bn ($2.1bn) refinancing, the group would declare itself insolvent.

The threat was an attempt to crush last-minute resistance to the refinancing. Norddeutsche Landesbank, a large German public-sector bank which is owed DM239.4m, denounced the plan this week and many foreign institutions oppose it.

Metallgesellschaft's ultimatum was sent by letter faxed to all its bank creditors yesterday afternoon and made public yesterday evening. The official deadline for banks' response was 5pm yesterday, but Deutsche Bank, chairing the bankers' co-ordinating committee, said the outcome would not be clear until late today or even Friday.

Reflecting uncertainty about Metallgesellschaft's fate, the Frankfurt-based group's shares dropped DM10 to close last night at DM226.

The letter sent by Metallgesellschaft argued that on legal and business grounds it would be obliged to declare itself insolvent if banks did not accept the DM3.4bn package as it stands. It envisages a DM1.4bn rights issue, coupled with the conversion of DM1.3bn of bank debt into junior convertible stock and the provision of DM700m of new credits.

Despite the continuing opposition of NordLB, other leading banks said they would support the proposals. Bayerische Landesbank, another public-sector bank owed DM381m, said it would back the bail-out, as did Barclays Bank, the UK clearer, which is owed DM154.5m. Barclays, however, expressed reservations, saying there were areas of the agreement that "required future work".

On Tuesday Mr Manfred Bodin, NordLB's chief executive, denounced the "dictatorial" way in which banks had been given no room for negotiation and said that the MG group's shareholders should make a greater contribution. The focus of his anger was the proposal to require banks to subscribe to part of the rights issue, thereby converting debt into equity.

Although many other banks share the concern about the debt-equity conversion, they have voted in favour of the package in the knowledge that their financial exposure to the group would be greater if it were declared insolvent.

NordLB said it still opposed the package and Mr Bodin, with his deputy, was involved in talks in Frankfurt on the plans. They argue that the group's capital should be reduced before banks are obliged to exchange debt into equity. Metallgesellschaft said in its letter yesterday that that was impossible as it would deny the group future access to international capital markets.

CONTENTS

"Mr Levi, I am afraid that we will not be investing in your little blue jeans business. We cannot believe that anyone is going to follow a trend set by a bunch of cowboys."

Having the capital to back a big idea is only half the secret.
Having the vision to spot one is the other half.

CINVen
Expand to fit.

CINVen Ltd is a member of IMRO

© THE FINANCIAL TIMES LIMITED 1994 No 32,265 Week No 2 LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

Georgia near deal on rebel province

By Frances Williams in Geneva

Georgian government officials and representatives of the breakaway province of Abkhazia were yesterday edging towards an agreement on deployment of international peacekeeping forces while negotiations on Abkhazia's long-term political status continue.

The talks, mediated by UN special envoy Edouard Brunner with Mr Boris Pastukhov, Russia's deputy foreign minister, acting as "facilitator", began in Geneva on Tuesday and are due to end today.

The two sides have observed a *de facto* ceasefire since last September when Abkhaz forces, in violation of a Russian-brokered ceasefire, seized control of the territory. In that brief but bloody show of force, 250,000 people, mostly Georgian, were forced to flee their homes.

On December 1, following a first round of talks in Geneva, the Georgian government and Abkhaz representatives signed a memorandum of understanding, which included a pledge not to use force during the period of negotiations, an exchange of prisoners and the creation of conditions for refugees to return.

The two sides also appealed to the UN to increase the number of international observers and to send peacekeeping troops to the conflict area. The UN security council responded last month by agreeing to send 50 observers.

This week's negotiations have focused largely on where UN troops should be deployed. The Abkhaz delegation is pressing for them to be confined to the Inguri river separating the two sides, while the Georgian government wants them stationed within Abkhazia.

Also under discussion is a plan for refugees to return to a small part of Abkhazia where the authorities can guarantee their safety. Abkhaz representatives admit that this is not yet possible throughout the province.

Relatively little progress has been made on the future political status of Abkhazia. The Abkhaz side wants either full independence or a high degree of autonomy within a confederal Georgia, despite the fact that before the war Abkhazians made up only 18 per cent of the region's population. The Georgian government of Mr Eduard Shevardnadze is pushing for more limited autonomy within a unitary Georgian state.

Shevardnadze visits Turkey

Improved relations between Georgia and Turkey would help peace and stability in the Caucasus, Mr Eduard Shevardnadze, Georgia's president, said yesterday, Reuter reports from Ankara.

Mr Shevardnadze, who arrived in Ankara for a two-day official visit, met President Suleyman Demirel before the two leaders headed their delegations in official talks. "I am hoping this visit will produce positive consequences for peace in the Caucasus," Mr Shevardnadze said.

Clinton to press for faster economic change

US to give Moscow reform incentive

By John Lloyd in Moscow

President Bill Clinton will today hold out the promise of accelerated assistance to Russia, in talks with President Boris Yeltsin in Moscow, if the new Russian government remains committed to reform.

Mr Clinton's move comes as the prospect of a reformist cabinet still hangs in the balance and as the main reformers – Mr Yegor Gaidar, first deputy prime minister, and Mr Anatoly Cgubais and Mr Boris Fyodorov, deputy prime ministers for privatisation and for finance – are themselves doubtful and divided about the possibility of working in the new cabinet.

Mr Viktor Chernomyrdin, the prime minister, is said to favour a "balanced" inner cabinet of two conservative and two radical deputy prime ministers – a structure with which the reformists have said they would be unhappy, and in which they may refuse to take part.

Mr Clinton's message on the economic front, according to a senior US official last night, is for "more reform in Russia and more money from the west to support it". This comes after a meeting of senior officials from the Group of Seven industrialised countries in Frankfurt last weekend agreed that the International Monetary Fund – the main instrument for providing financial aid to Russia – should become much more active in offering assistance to reform.

The IMF last year disbursed, after some hesitation, a $1.5bn tranche of a systemic transformation facility designed to encourage and support reform efforts.

However, negotiations of the second $1.5bn tranche, and the further $4bn for stabilisation, are not expected until the end of this month and are delayed because of lack of a budget for this year and uncertainties about the shape of the new cabinet.

The G7 officials, who represent the IMF's main paymasters, believe that while the IMF should remain the lead agency for assistance and that no new money should be made available, a fresh effort should be made by the fund and by the World Bank to put the resources already committed, and their expertise, more immediately at the service of reform strategies – assuming that these survive the coming cabinet changes.

They do not believe as some senior US administration members, including vice-president Al Gore and Mr Strobe Talbott, ambassador at large for the former Soviet Union, appeared to suggest in the past few weeks, that Russian efforts to bring down inflation and the budget deficit should be eased.

Instead, they have taken the lesson of the Russia's December elections, in which communists and ultra-nationalist parties won large shares of the vote, to mean that the west must not be seen to be too carping in its demand for precise inflationary and deficit reduction targets.

They believe that western governments and financial institutions should instead show recognition of the structural reforms already achieved, especially in the field of privatisation.

Yeltsin aide fails to win parliament vote

By Leyla Boulton in Moscow

Mr Vladimir Shumeiko, a key aide of Russian President Boris Yeltsin, yesterday failed to become speaker of the upper house of parliament by a few votes, as regional leaders snubbed the head of state by giving almost equal support to an ultra-nationalist factory director.

Mr Shumeiko sought to woo the regional leaders who sit in the Federation Council by promising them more powers, as well as a shift in economic policy, and less interference from the president.

But Mr Pyotr Romanov, manager of a Siberian oil refinery who stressed his patriotism and the importance of state power, picked up 79 votes against Mr Shumeiko's 81. According to a colleague from St Petersburg, Mr Romanov is a member of the Russian National Assembly, a right-wing organisation headed by a hardline KGB general.

The victor in a repeat vote needs to obtain support of at least half the 171-strong Federation Council.

The election of Mr Shumeiko, a first deputy prime minister and close associate of Mr Yeltsin, would confirm the upper chamber, or Federation Council, as the more co-operative of the two parliamentary chambers.

Fresh squabbling broke out yesterday among deputies of the lower chamber, the State Duma, even though it was not in session, when Mr Vladimir Zhirinovsky, leader of the neo-fascist Liberal Democratic party, insisted that he should become speaker.

A meeting of faction leaders broke up after members representing Russia's Choice, Russian Unity, Accord, and Women of Russia walked out in protest over his attempt to renege on a deal to give the job to a candidate from the women's party.

Shumeiko: Yeltsin's choice

They later reconvened to try to pick a speaker, with all factions agreeing to block his Liberal Democratic party should Mr Zhirinovsky try to take over proceedings without their agreement.

Mr Shumeiko, who got himself elected to the Federation Council from the Russian-speaking enclave of Kaliningrad, had earlier proposed that if the State Duma blocked legislation, the new Federation Council could take on new functions – say approving the budget – not foreseen for it by the constitution.

He also promised a vigorous defence of the interests of Russia's restless regions. He suggested the abolition of the system of presidential representatives in the regions, who he said duplicated the functions of the governors, and proposed that powerful regional groupings, such as the Siberian Agreement, a loose association of provinces in Siberia, be enlisted to help draft legislation favourable to the regions.

Complaining that "the western-style liberal social order could turn out to be alien to Russia", Mr Shumeiko reiterated plans for a shift in economic policy "which would turn our face to producers". This shift in priorities, away from those desired by radical reformers such as the deputy prime minister, Mr Yegor Gaidar, has already been set out by Mr Victor Chernomyrdin, the prime minister.

Reformers argue that it is not possible genuinely to stabilise output unless enterprises are made more efficient by greater financial discipline and inflation is sharply reduced. But many regional officials, brought up to value industrial output targets in the old communist era, favour a more traditional approach, especially since they would have to deal directly with the open joblessness, rather than hidden unemployment, that would follow more radical policies.

Meanwhile, Democratic Russia, the anti-communist movement that has been an important and consistent source of support for Mr Yeltsin, yesterday warned that it would go into opposition against him if he removed radical reformers from the government, as expected in a reshuffle due next week. They complained specifically about plans to keep Mr Alexander Zaveriukha, a conservative closely affiliated to the communist-oriented Agrarian party, as first deputy prime minister responsible for agriculture.

Air strike threat cuts little ice in Bosnia

By Laura Silber in Belgrade and James Blitz in London

A preliminary study of air strikes against Serb targets in the United Nations effort to feed besieged Moslem enclaves in Bosnia was ordered yesterday by Mr Boutros Boutros Ghali, UN secretary-general.

Mr Yasushi Akashi, the new head of UN peacekeeping forces in former Yugoslavia, will today visit Belgrade as part of a mission to investigate the prospects for opening the airport in Tuzla, the biggest government enclave, and facilitating the rotation of some 300 Canadian peacekeepers stranded in Srebrenica, a Moslem enclave in eastern Bosnia.

At the close of a two-day Nato summit, the 16 member countries issued a joint declaration warning all three warring parties – but the Serbs in particular – that the use of air strikes remained an option.

Those impeding UN operations in Srebrenica and Tuzla had to realise that "force is available" to support relief efforts, said Mr John Major, UK prime minister.

Addressing the House of Commons yesterday, he refused, however, to give a firm guarantee that Nato would use force to assist the relief effort in Bosnia. He stressed that UN commanders on the ground would have to give the go-ahead first.

But Mr Major stressed that while every Nato country was prepared to use force, no government would take the decision lightly. "We will seek the advice of the military commanders on the scene," he said.

But in a familiar response, Bosnian Serb leaders scoffed at the renewed Nato threats. Political and military leaders this week repeated their vehement refusal to allow the opening of Tuzla airport, which UN relief workers say would be an important life-line to the desperate city.

Serb chieftains indicated, however, that they would allow the relief of the Canadians in Srebrenica.

They have called a session of their "parliament" for Monday to decide whether to adopt a new platform to put forward at partition talks, due to be held in Geneva on January 18.

While Serb leaders dismissed the Nato communique as a "storm in a teacup", the response in Sarajevo was also lukewarm. A Bosnian radio commentary appeared to warn against false hopes. It said the stepped-up threats should not be taken seriously, describing the show of Nato air strength over Bosnia's skies as a "spectacle".

Associated Press

Children at an orphanage in the Croatian town of Split welcoming a Spanish Red Cross aid vehicle

Swiss row with Paris deepens on Iranians

The Swiss government has stepped up the pressure on France over its expulsion of two Iranian murder suspects, demanding an explanation of why Paris sent the two home rather than comply with Switzerland's request for their extradition, writes Ian Rodger in Zurich.

French leaders have said only that the move, which violates European conventions on extradition and the prevention of terrorism, was "related to the national interest". Mr Charles Pasqua, the interior minister, has already given a dusty response to a US state department request for an explanation.

"I have no explanation to give the Americans. I am not an employee of Mr Clinton," Mr Pasqua said on French radio.

The two Iranians, Moshen Sharif Esfanhi and Ahmed Taheri, were arrested in France in 1992 at the request of the Swiss authorities in connection with the murder of Kazem Radjavi, the brother of a Mujahideen leader, in a Geneva suburb in April 1990.

Brussels ready to block aid for Klöckner mill

By Andrew Hill in Brussels and Ariane Genillard in Bonn

The European Commission is preparing to block subsidies from the city-state of Bremen to Klöckner-Werke's steel mill, a move which could plunge the region even deeper into recession.

Brussels has just received the German government's response to a request for more details about last November's sale of the steel mill. Sources yesterday described the reply as "absolutely unsatisfactory".

The Commission is likely to open a formal state aid inquiry within the next 10 days into the city-state's plan to inject DM200m ($116.2m) of cash into the mill. It is then almost certain to outlaw the subsidy, which was aimed at maintaining the loss-making mill's annual crude steel production of 3m tonnes.

Private German steelmakers had expressed outrage at the November deal, under which Klöckner-Werke agreed to sell 75 per cent of the mill for a symbolic DM1 to a consortium led by the city-state. Only this week Mr Brian Moffat, British Steel chairman, warned that the rescue would make a mockery of the EU's call for capacity cuts and subsidy limits.

One source said: "It would be absurd to allow state aid here, when we have been actively pursuing cases against other companies."

The collapse of the deal would be a bitter blow for Bremen, which, after Saarland, is the state with the highest rate of unemployment in west Germany. The steel mill and the shipyard, which depends on it, are its biggest employers.

Klöckner would probably not suffer directly, although it would have to seek an alternative buyer. It could turn to Thyssen and Krupp-Hoesch, Germany's two largest steelmakers, and Usinor-Sacilor of France. Their offer, under which most of the plant would be closed, was rejected in November in favour of the bid by Hiberg, a state-owned holding company, the Bremer Vulkan shipyards, Hegemann, a company manufacturing shipping equipment, and the city's electricity utility.

Inflation at 11-year high in Germany

West German annual inflation averaged 4.2 per cent in 1993, the highest rate since 1982, the federal statistics office said yesterday, Reuter reports from Bonn.

Announcing a slight upward revision in figures released provisionally last month, the Wiesbaden-based office said consumer prices rose 0.2 per cent in December from the previous month to give a year-on-year rate of 3.7 per cent.

The annual average rate of 4.2 per cent compared with 4 per cent in 1992. It was the highest inflation figure since 1982, when prices rose 5.3 per cent.

Although the final December figures were fractionally higher than the preliminary data, economists said inflation had peaked and would fall steadily throughout 1994.

Mr Gerhard Grebe, chief economist at Bank Julius Bär in Frankfurt, said he saw the figure falling to 2.7 per cent by the end of the year.

French media aid package

The French government has announced an aid package for the print media in response to a crisis caused by the recession and outdated publishing practices, Reuter reports from Paris. Mr Nicolas Sarkozy, the government spokesman, gave no overall figure for the aid, which includes a previously announced subsidy of FFr200m ($34m) to dailies with poor advertising revenue. But he said it would involve guaranteeing loans.

Stockholm tries to bridge gap over Danish link

Environmental wrangles in cabinet are delaying one of Europe's biggest infrastructure projects, writes Hugh Carnegy

Sweden's centre-right government will today make a renewed attempt to break a deadlock that is holding up the start of work on building a bridge and tunnel link across the Oresund to Denmark – one of Europe's biggest infrastructure projects.

A wrangle over environmental objections to the link has caused some embarrassment to Mr Carl Bildt, the prime minister, destabilising his minority coalition and undercutting his enthusiastic commitment to tying Sweden closer to the European mainstream. It has also aroused irritation in Denmark which is keen to get on with the project.

Mr Bildt's conservative Moderate party, the Liberal and Christian Democrat coalition partners and the opposition Social Democrats are all backing the link, which was first agreed in a treaty signed by Stockholm and Copenhagen in 1991. It is seen as a vital parallel project to Sweden's application to join the European Union, which is also due to be decided this year.

But the Centre party, the fourth member of the governing coalition, has dug its heels in against the project on environmental grounds, and claims to have the support of almost half the population. Their concerns are that the main bridge section will impede salt water flows into the Baltic which are vital to the health of the already heavily polluted sea. They also argue that exhaust emissions on the bridge will break Danish and Swedish commitments made at the Rio environmental summit not to increase levels of such pollutants.

'It will provide an integrated labour market in east Denmark and south Sweden, you can have commuter trains using the bridge'

The 17km combined road and rail connection between Copenhagen and the southern Swedish city of Malmö has the strong support of Swedish industry and unions. Like the political parties, they see the bridge/tunnel – the first fixed link between Sweden and the European mainland – as a valuable boost to the economy.

The Swedish side particularly has already gone to painstaking lengths, including expensive redesigns of the bridge, to minimise the environmental impact. But Mr Bildt has so far failed to overcome the objections of the Centre party, whose leader, Mr Olof Johansson, is environment minister.

What Mr Bildt is struggling to achieve is a political compromise that allows the government to give the final green light to the Oresund link, without prompting the Centre party to quit the coalition. In his favour is the undisguised unwillingness of Mr Johansson and his colleagues to be forced into such a position.

Some formulation allowing the Centre party to dissent from customary unanimous cabinet decisions may provide a way out. But there was little sign yesterday that such a compromise was in sight, and Mr Johansson indicated that another postponement of a final decision was likely.

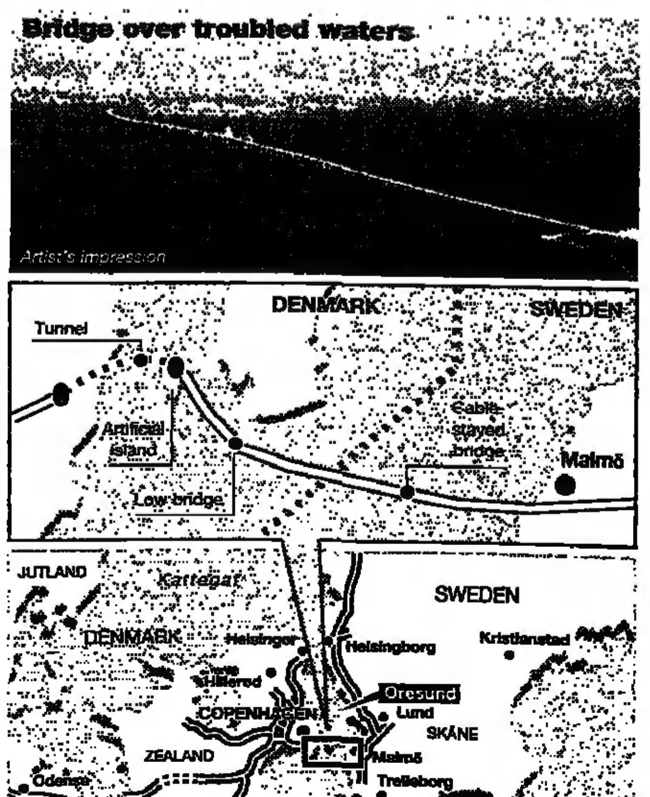
The joint Swedish-Danish consortium set up to build the link is due to invite construction tenders early this year. On the Danish side, work on some of the approach roads and site clearances has already begun. The total cost, including associated construction on the Danish and Swedish sides, is around $2.5bn (£1.68bn) to be paid back in rail fees and vehicle tolls.

Supporters say the link will transform the Copenhagen and Malmö areas and will have beneficial effects for both nation's economies.

The combined Copenhagen-Malmö region has a population of 2.3m, making it the 20th largest urban concentration in Europe and the eighth largest in terms of purchasing power – giving much greater critical economic mass than the two can muster separately.

The Oresund link will cut travel times between the two city centres from a minimum 90 minutes at present to around 30 minutes. For Swedish industry particularly, the rail link will offer much faster transit times for freight that otherwise goes by ferry – halving the time it takes to move freight by rail from Malmö to Hamburg, for example.

"It will also provide an integrated labour market in eastern Denmark and southern Sweden. You can have commuter trains using the bridge," says Mr Lars Kritz of the Federation of Swedish Industries. "That must be good for industry and trade."



INVEST IN CHAMPAGNE
Near THE EUROPORT PARIS CHAMPAGNE
NORTH EUROPE
EAST EUROPE
SOUTH EAST EUROPE
Paris
FRANCE
Strasbourg
Lyon
Agence de Développement Economique
BP 533 - F - 51010 Châlons/Marne Cedex
Phone (33) 26211133 Fax (33) 26684707

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753 Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 Copenhagen K. Telephone 33 13 44 41, Fax 33 93 53 35.

Peace dividend costs jobs, says ILO study

By Frances Williams in Geneva

Hopes of a "peace dividend" for jobs by converting defence industries to civilian manufacturing have proved depressingly wide of the mark, according to the International Labour Organisation.

In a report to its metal trades committee, now meeting in Geneva, the United Nations agency says the most striking part of the long-awaited peace dividend after the fall of communism has been massive job losses in the armaments industries on both sides of the old Iron Curtain.

The US, the world's biggest arms producer, has made redundant 400,000 mostly well-paid and skilled workers over the past three years. Roughly the same number have lost their jobs in the former Soviet Union. In both cases the number is expected to treble over the next three years, the ILO warns.

In France and Germany, employment in defence industries is set to shrink by up to a quarter. Smaller arms producers such as Italy, the Netherlands, Sweden and Slovakia have also registered big job losses. "Each direct job that is lost may lead to the loss of two or three indirect jobs in other sectors," the ILO report notes.

Far from finding equivalent jobs in the civilian industry, most of those made redundant share the fate of former steel and car workers in facing long-term unemployment, unstable jobs and reduced incomes.

"In the US, the major difficulty is that many of those affected are too skilled, too specialised, overpaid and too old (many between 40 and 60) to find new jobs," the report says.

This marks a painful contrast with estimates made before the Berlin Wall came down in November 1989 of net job gains from defence conversion. One UN study forecast a ratio of at least two jobs created for every one lost.

Converting arms manufacture to civilian production will mean "hardships and problems of adjustment" whatever the strategy adopted, the ILO says. However, most of the successes so far have had "a helping hand from governments".

US experience suggests the ingredients for success include far-sighted planning by management in co-operation with the workforce and public authorities, economic incentives to develop new products and retool factories, and retraining of management and workers.

Conversion assistance is expensive. The US will have to earmark some $20bn (£13.5bn) for this purpose over the next five years, the ILO says. In the former socialist countries, it argues, the key to successful conversion lies in privatisation, accompanied by greater incentives for workers and managers to produce for the civilian economy.

Portugal's premier talks up role of the EMI

By David Marsh and Peter Wise in Lisbon

Mr Aníbal Cavaco Silva, the Portuguese prime minister, yesterday said he hoped the newly-formed European monetary institute would help persuade Germany to cut interest rates more quickly to boost European economic growth.

His comments are likely to increase German fears that the Frankfurt-based EMI could interfere with the statutory independence of the Bundesbank.

In remarks plainly directed above all at Germany, Mr Cavaco Silva criticised "national egoism" in economic policy. He said the EMI would require "a commitment for everyone to pursue a community monetary policy".

He added: "I have some expectations for the work of the EMI. Before, it was quite clear that monetary policy co-ordination was not strong. I hope from now on it will not just be a question of adapting to the decisions of the Bundesbank. The 12 members of the European Union – all of them – will have a say in monetary policy."

Decision-making power will remain formally in the hands of national central banks during stage two of the move to economic and monetary union, which began on January 1. However, Mr Cavaco Silva said the EMI, which had its first meeting on Tuesday, would have to play more than just an advisory role.

"Europe is more than just the Bundesbank," he said.

His remarks yesterday put Portugal firmly on the side of countries such as France, Italy, Spain and Belgium which want the EMI to play a more active role.

Portugal has been hard hit by the Europe-wide recession. Its economy declined by about half a percentage point last year but Mr Cavaco Silva said it was expected to grow by 1.5-2 percentage points this year.

Apart from pushing up the budget deficit to about 8.5 per cent of gross domestic product last year, the economic downturn has led to a sharp increase in unemployment, which stand at about 6 per cent against 4.5 per cent a year ago.

Mr Cavaco Silva also said Europe needed a single currency to accompany the internal market.

However, he admitted it was now unlikely that monetary union could take place before 1999, compared with the earliest date prescribed in the Maastricht treaty of 1997.

Repeat threatened of previous violent protests

- Private schools get 13 per cent or FFr34.5bn (£3.96bn) of national education budget which totals FFr250bn for 1994
- Private schools educate 2.07m pupils, or 17 per cent of total of 12.2m French schoolchildren
- Private schooling is more important at the secondary level (20.7 per cent of total) than at the primary level (13.8 per cent of total)

Balladur reignites education war

David Buchan on French school finance reforms

France's historic tug-of-war between public and private education is about to be played out again in the streets of Paris, with a big protest planned for Sunday against the government's school finance reform.

The only thing that will keep the number of demonstrators below the minimum 100,000 forecast by the interior ministry would be a decision by the country's constitutional council today or tomorrow to annul the reform, in response to the Socialist challenge that it unconstitutionally favours private (largely Roman Catholic) schools over public ones.

By removing a 144-year-old limit on state funding of private school infrastructure late last year, Prime Minister Edouard Balladur has re-ignited his country's ancient *guerre scolaire*.

This has ended his period of calm cohabitation with President François Mitterrand who has taken up rhetorical cudgels in defence of state education, and also drawn more muted tactical criticism from his fellow Gaullist and presidential rival, Mr Jacques Chirac, and even some senior clerics such as the Archbishop of Lyon.

Mr Balladur seems to have underestimated two factors giving fresh sensitivity to French educational policy. One is the seemingly endless rise in unemployment, which has made parents more worried than ever about any reduction in the resources deployed to prepare their children for a job. The other is that the desire of some Moslem immigrants for their daughters to wear traditional "chador" scarves has seemed to many French to place their country's secular education system into question.

In his new year's attempt to balance his reform with promises of more money for public schools, Mr Balladur is now trying to defuse what in the past has provide a political minefield – with repeated violent clashes in 1968, 1984 and 1986 over school and university reform.

But he is unlikely to back-pedal entirely, even in the face of a flat Non from the constitutional court, given the pressure on him to redeem his coalition's election pledge to rationalise the remaining anomalies in French school finance.

The most distinctive feature of modern French education is the deal which the French state struck with the Roman Catholic church in 1959. This appeared to end their long war, which saw the state first triumph over the church in the French revolution, then readmit some church schools in the 1850s, only to "laicise" thoroughly education by the start of this century.

To enlist the church's help in educating the 1950s baby boom, however, the de Gaulle government agreed to pay *all* the salaries and operating costs of any church school which signed a contract with the state commiting them to a syllabus and examination system set by the government. Such "contract" Catholic schools must admit children of any religion. They can make reference to their religious philosophy, but must not impose it.

Buoyed by this injection of state money – which brings basic monthly fees down to FFr30 (£3.50) for a primary school in the rural Vendée and to FFr150 for an urban technical school – "contract" Catholic schools have blossomed. There are 9,500 of them, teaching some 2m, or 17 per cent, of the nation's children, and are particularly strong in the west, north and south-east.

They hardly exist in Alsace, which missed out on the late 19th century "laicisation" by being under German occupation and when it rejoined France in 1918 was allowed to keep its 1850s-style tolerance of religious education in public schools.

Left unsettled, though, has been the issue of who pays for the schools' bricks and mortar. The 1850 law of a conservative education minister, Comte Frédéric de Falloux – which the Balladur government has just amended – allowed local authorities to fund up to 10 per cent of regular private schools' infrastructure.

However, full public funding was permitted for work on private technical schools in 1919 and for private agricultural schools in 1984. The latter concession is politically awkward for Mr Michel Rocard, who is now the Socialist party leader but who was agriculture minister in 1984.

The Balladur government, and particularly Mr François Bayrou, the education minister and his UDF party which is especially attached to decentralisation, says the funding anomaly between private regular and specialist schools should be corrected and that local authorities should be able to use their money as they see fit. A government-commissioned report stated last month that half the country's private schools were in urgent need of repairs, whose cost it put in the range of FFr3.5bn-FFr5.8bn.

However, in a time of budget squeeze, the Socialist opposition says this money will only come at the expense of public schools. Mr Henri Emmanuelli, a former Socialist president of the National Assembly, conjures up the worst of French fears by saying it will all lead "to a British-style situation, with more and more delapidated public schools in a segregated, two-speed educational system".

Brussels warns on EU entry talks

By Lionel Barber in Brussels

The European Commission yesterday hinted that it might not be possible to meet the March 1 deadline for wrapping up negotiations with all four countries seeking to join the European Union.

At a briefing in Brussels, an official left open the possibility of leaving behind one or more applicants. This would mean abandoning the "convoy" principle, whereby Sweden, Finland, Austria and Norway all conclude negotiations at the same time.

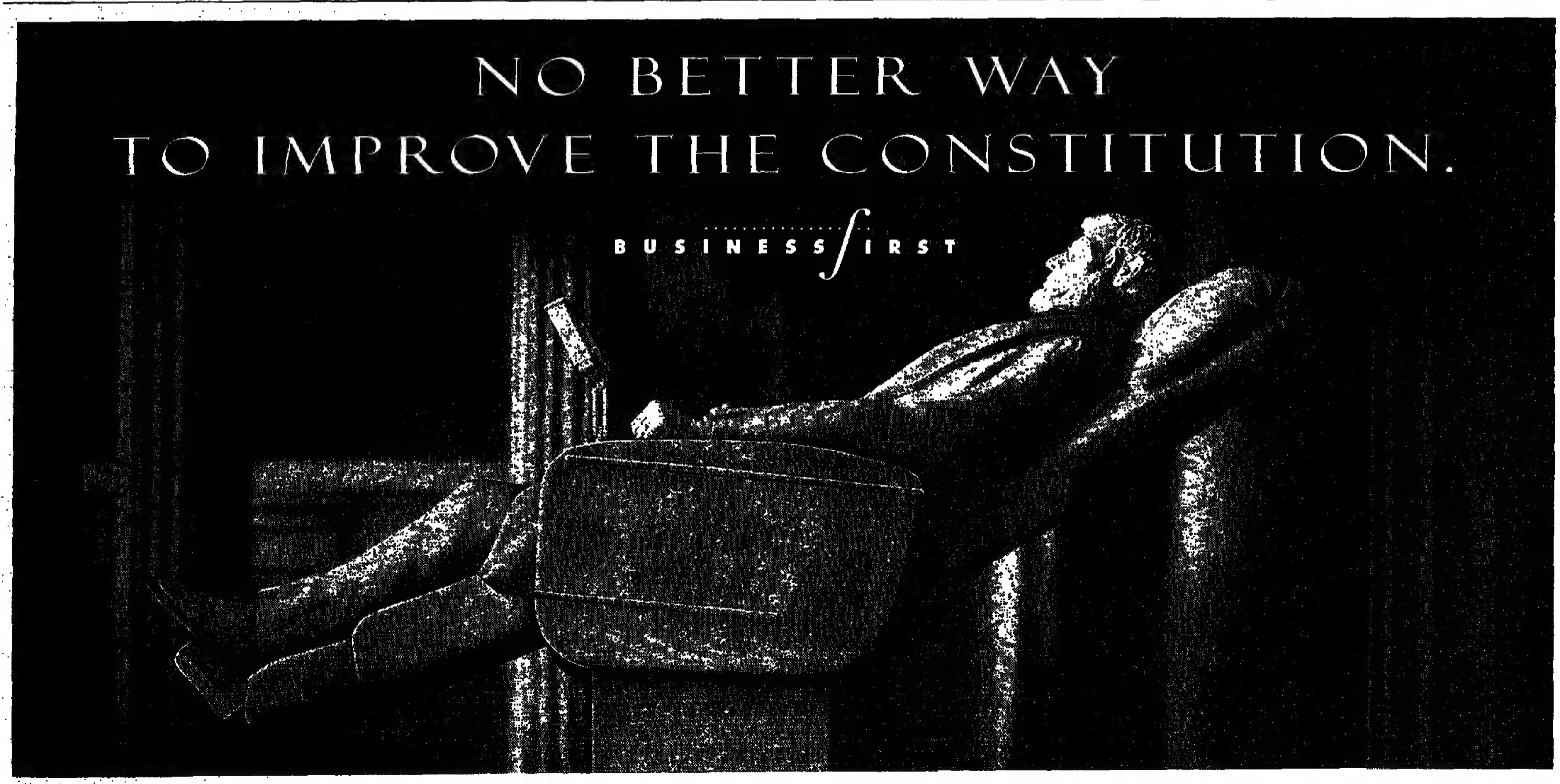
The March 1 deadline is viewed as crucial if the present European parliament is to have enough time to give a favourable opinion on membership before the June elections. A delay would mean waiting for a new parliament, thus jeopardising the target date for EU entry at the start of 1995.

A Brussels official suggested that the warning marked a shot across the bows to the candidate countries as all parties brace themselves for the last lap of negotiations on agriculture, regional policy, fisheries and budget contributions, by far the trickiest dossiers. "It is a question of who blinks first," said the official.

Sweden has made the most progress, with Norway lagging. The Oslo government opened talks two months later than its fellow candidates, but it is also sticking to a tough line on whaling, agriculture and fisheries.

Both Finland and Austria are somewhere in the middle. Austria still has problems with the treatment of transit traffic and secondary homes, and it shares Finland's deep reservations about Commission proposals to align farm prices with EU levels on entry into the Union.

Talks are now focusing on the level and duration of compensating income support for farmers, with the bill to be picked up by the applicant countries. This affects, in turn, how much the four rich applicants can put into the EU budget.



FIRST CLASS SLEEPER SEAT FOR A BUSINESS CLASS FARE.

Inspired by the words of a great American president, "All men are created equal," Continental Airlines have made a divided First and Business Class a thing of the past.

So now business flyers can improve their constitution with the most advanced electronic sleeper seat available. It has a 55" pitch and a personal video system. And it comes, of course, with a level of comfort and service previously associated only with traditional First Class.

But the presidential treatment starts even before you arrive at the airport, with a limousine from your door. It takes you to Continental's very own Presidents Club at Gatwick. And it goes without saying there will be another limousine waiting for you at the end of your journey.*

All this for a Business Class fare.

BusinessFirst not only improves your constitution – it improves your economy.

If you would like full details, call your travel agent or telephone Continental Airlines on 0800 747800.

*Available up to a 50 mile radius of Gatwick and 40 miles of other major UK airports. As well as most major US destinations. Limousines must be reserved in advance.

Continental Airlines

NON-STOP TO NEW YORK – HOUSTON – DENVER – AND ONWARDS TO OVER 140 US DESTINATIONS.

IMF persuades French Africa to go for growth

The CFA bloc's devaluation will ensure the adjustment needed to survive

By David Buchan in Paris and Leslie Crawford, Africa Correspondent

The 13 French-speaking countries of west and central Africa finally bit the bullet on Tuesday night and agreed to depreciate their common currency, the CFA franc, by 50 per cent against the French franc to pull their economies out of deep recession.

Described by an economist as the "most foretold and least well prepared devaluation in economic history", it came after two days of often acrimonious wrangling between African leaders and the International Monetary Fund, abetted by France, in Dakar, the Senegalese capital.

It is the first parity change since 1948 for the CFA (Communauté Financière Africaine) franc, which is now worth one French centime. The distant Comores Islands in the Indian Ocean have devalued their CFA franc by one third.

Mr Michel Camdessus, the IMF managing director who was in Dakar to press for devaluation, said in Paris yesterday that at the outset many of the African leaders thought they were being asked to make "a leap into the void without a parachute", but were subsequently convinced that devaluation would promote "a dash for growth", with the accompanying aid provided by the IMF, World Bank and France. The IMF chief expressed confidence in the CFA franc's new parity, whose change would produce the external adjustment necessary to the franc zone's revival.

France said it would continue to guarantee the convertibility of CFA francs which, along with fostering regional integration, is the aim of the franc zone. In a joint statement, President François Mitterrand and Prime Minister Edouard Balladur also said France "will not fail to show its solidarity with its [CFA] partners" by, for instance, forgiving FFr25bn worth of their debts to it.

The Balladur government denies it imposed devaluation on the CFA countries, acknowledging only that in its tougher financial attitude abroad as well as at home it had recently made clear to CFA countries that they could no longer expect France to top up their budgets, unless they reached agreements with the IMF. But this is a pro-forma distinction, since Paris knew well the IMF's strong preference for CFA devaluation.

The package of measures to support the devaluation includes:

- The IMF will provide aid worth \$1.5bn-\$1.7bn over the next three or four years, Mr Camdessus said. This would initially take the form of standby credits because, being quicker to negotiate, they would more rapidly unlock other credit possibilities and pave the way to possible debt rescheduling. But thereafter the 10 poorest CFA countries would be able to draw on the IMF's "enhanced structural adjustment facility" at a 0.5 per cent rate of interest repayable over 10 years.
- To soften the impact of higher prices for imported staples, particularly on the poorest, the IMF will approve subsidies on some basic goods like bread, vegetable oil, rice or even petrol out of the CFA countries' budget revenues which are expected to rise, Mr Camdessus said. The World Bank will step up its lending, particularly to education and health.
- For the 10 poorest CFA countries, France is to forgive all of the FFr6.6bn of bilateral aid debt which it did not cancel in 1989. Paris is also cancelling half, or FFr18.4bn, of the aid debt that the four relatively richer countries – Gabon, Cameroon, Congo and Ivory Coast – owe it. In addition, France is to set up a FFr300m "special development fund", to which it hopes the European Union and World Bank will contribute and with which Paris intends to help the urban poor in CFA countries.

Balladur says France will forgive FFr25bn of CFA debts

"We hope that other creditor governments in the Paris Club (which deals with the rescheduling of official debt) will give CFA countries the best terms," said a French official yesterday.

Clearly, France is willing to pay a price to keep the franc zone going. The cost to the Bank of France of converting CFA francs into French ones on demand is minimal, because the arrangement is backed by the requirement that CFA countries keep 65 per cent of their hard currency reserves with the French central bank. The Bank of France pays market rates on these deposits and charges market rates on any CFA borrowings. Nor is cancelling the debt of the 10 poorest countries a big sacrifice; it might never have been recovered.

But the much larger cancelled debt of the four richer countries might one day have been repaid. France's private sector will also pay a price. "The shock wave of the CFA devaluation for French investors could reach FFr10bn this year," complained the head of the Council of French Investors in Africa in a letter yesterday to Mr Balladur.

Yet such sacrifices are small beer compared to the 40 per cent drop in real per capita income suffered by the inhabitants of the franc zone since the mid-1980s. A World Bank report prepared for the Dakar meeting comments that "the only other region of the world experiencing an economic decline of comparable magnitude is the former Soviet Union".

While in 1970-85 output and exports grew faster and inflation was lower in the CFA zone than in the rest of Africa, the trends reversed dramatically thereafter. Internally, CFA governments continued to spend too much on their public sectors and civil servants, while externally the terms of their trade worsened with their currency tied to a French franc itself trying to hold fast to the D-Mark.

The World Bank and IMF have privately pointed to the "silent crisis" caused by the increasing over-valuation of the currency.

Real incomes in the franc zone have fallen 40% since the mid-80s

By the end of the decade, average government and manufacturing wages relative to average incomes, in Senegal, for example, were three to six times higher than in Indonesia or Ghana.

Last year, Mr Ishrait Husain, chief economist in the World Bank's Africa department published a study in which he compared the economic performance of the CFA countries with 14 countries which have pursued structural adjustment in the 1980s.

Between 1986 and 1991, the appreciation of the CFA franc and subsequent losses in competitiveness cut the output of the CFA countries by an average of 0.2 per cent a year. But GDP in the other 14 African countries which the Bank classifies as "adjusters" rose by an average 4.5 per cent a year over the same period.

The losses were not evenly shared, however. The gainers were civil servants and students whose salaries and grants consumed an increasing majority of CFA governments' dwindling budgets. The losers were the rural masses whose incomes from agricultural production dwindled while access to primary education and health remained low even by African standards.

The World Bank and IMF say the devaluation was needed to sharpen the incentives for exporters and raise the incomes of poor farmers. But, in the short-term, the immediate sharp rise in import prices will aggravate rising labour unrest among civil servants and urban dwellers in West and Central African states, many of whom already have trouble meeting wage bills because of falling tax revenues.

Cameroon's civil service has already been paralysed for a month by a strike over a 50 per cent wage cut announced last November.

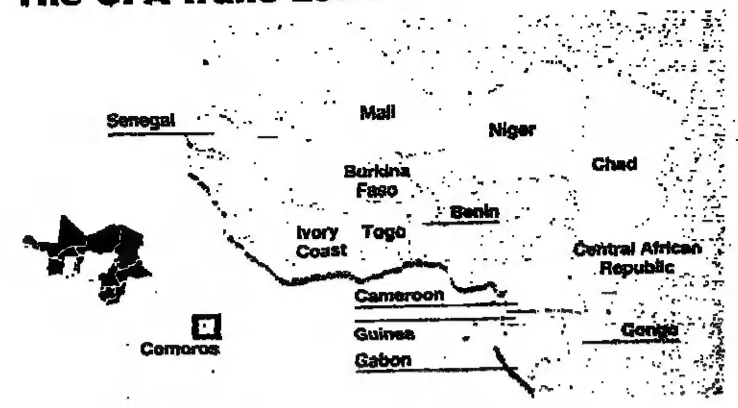
Some 55,000 secondary school teachers have been on strike since the end of November and many state hospitals are closed or maintaining only emergency cover. Magistrates went on strike at the beginning of the year.

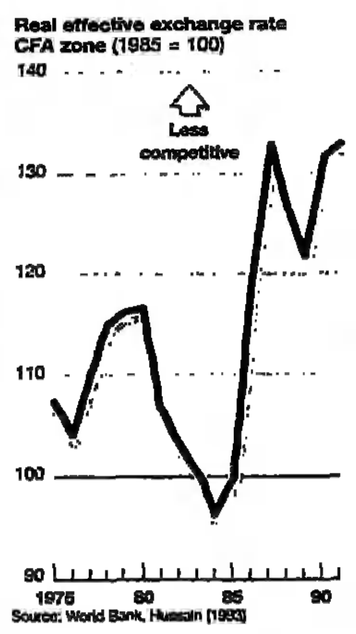
Further north in landlocked Niger, the government closed Niamey university last Friday after students hurling stones and petrol bombs fought riot police firing tear gas.

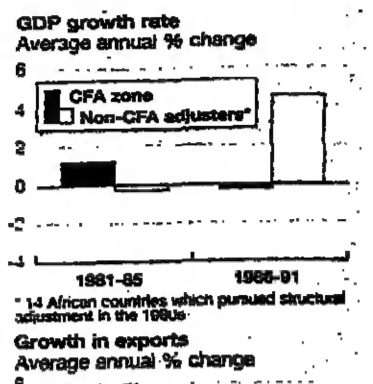
The students' grants have not been paid for eight months. In January 1993, the university cancelled teaching for the academic year because of lack of funds.

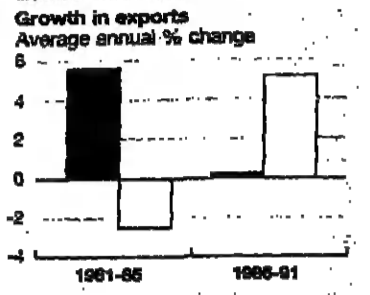
The contrast with the tendency for neighbouring anglophone countries to devalue frequently has been felt in both exports and imports. Cheap imports from Nigeria have flooded into the CFA zone, while Ghanaian pineapples have edged those of the Ivory Coast out of the European market.

The CFA franc zone









"Devaluation will bring instantaneous benefits to the Ivory Coast," says Mr Cheikh Ibrahim Fall of the African Development Bank in Abidjan. "Exports revenues will increase, farmers' incomes will rise and the government will have more cash to pay its domestic debt...But I am not convinced of the long term benefits, if devaluation is not accompanied by other reforms."

Mr Camdessus sees signs of a new seriousness to reform and to integrate the CFA zone, particularly in the African leaders' pledge in Dakar to meet every six months to review their imminent IMF agreements. "The CFA zone has been just a monetary arrangement, now we may see some genuine economic convergence within it."

Beirut share offer 142% subscribed

By Mark Nicholson in Damascus

The share offering to found Solidere, the company being created to rebuild central Beirut, was 142 per cent subscribed, the company said yesterday.

Tens of thousands of Lebanese and Arab investors bid \$926m (£629m) for the offering, designed to raise \$650m.

Some \$600m was raised from Lebanese citizens, who will be given preference in the final allocation of shares.

Until a secondary market in Solidere shares opens (due next month), Lebanese citizens will hold more than 94 per cent of the company's founding equity.

Mr Nasser al-Shamaa, general secretary of Solidere's founding board, said the response a "clear statement of faith by the Lebanese in the future of their country and its capital". The Solidere launch "may be the largest public share offering in the Middle East".

The 10-week offer which closed on Monday represented the sale of 35 per cent of Solidere's equity. The remainder, worth around \$1.7bn, were shares distributed to property owners in downtown Beirut in exchange for land rights.

The company said tender documents for the first contracts to rebuild Beirut's former banking and commercial centre had largely been prepared; the first bids will be invited within weeks.

Solidere plans to redevelop 1.6m square metres of land in central Beirut over the next six years. Its board hopes to have the nucleus of a working commercial centre open within two years.

Beirut is enjoying a building boom, but little has been done to tackle the city-centre devastation left by 17 years of civil war.

The response from Lebanese investors will be particularly pleasing to Mr Rafik Hariri, the billionaire businessman-turned-prime minister, who designed Solidere expressly to attract private Lebanese capital back into the country.

Company officials said they had received about 10,000 applications from Lebanese investors in Beirut on Monday alone, and the response to the Solidere offering is the biggest single injection yet of private capital into Lebanon's rebuilding project.

The final allocation of shares is expected to take up to 10 days to complete, with priority going to Lebanese property owners in Beirut, Lebanese nationals, government agencies.


Hariri: pleased

Lebanese expatriates and other Arab investors in that order. Some \$276m will therefore be returned to Arab investors, mostly in the Gulf states.

Investors in Saudi Arabia subscribed for more than \$200m-worth of shares alone, according to bankers in Riyadh, who said the shares were likely to command a premium over their \$100 issue price when secondary trading begins.

Lebanese officials hope the market in Solidere shares will provide the basis for reviving the stock market in Beirut, which closed in 1983 during the civil war.

Mr Hariri himself subscribed for \$125m-worth of shares – some 7 per cent of Solidere's overall capital and just below the statutory maximum holding of 10 per cent. He has said he will donate all dividends from the shares to his charitable foundation.

However, the offering has met strong opposition from militant Islamic groups in Lebanon. In December, Sheikh Mohammed Hussein Fadlallah, spiritual leader of the pro-Iranian Hizbollah, denounced the Solidere launch as "religiously forbidden" since property owners in central Beirut had been "forced" to relinquish their rights to the company.

Some landowners in Beirut have also complained that a proposed court to test the legality of Solidere's plans was never actually set up.

A committee has been formed to try to amend Solidere's founding regulations.

Former premier Toshiki Kaifu is refusing to toe the party line by opposing reforms

The LDP's stand-in refuses to lie down

By Robert Thomson in Tokyo

The fondest memories of Mr Toshiki Kaifu, the former Japanese prime minister, are hanging in his office: a photograph of a shared joke with then President George Bush; an apparently attentive Prime Minister Margaret Thatcher taking in the thoughts of Toshiki; and an audience in Beijing's Great Hall of the People.

For a man dubbed the "relief pitcher" by his colleagues in the Liberal Democratic party, who saw him as a very temporary stand-in from a weak faction, Mr Kaifu's influence has lingered in the Japanese parliament, soon to reconsider electoral reform bills that echo proposals he made in 1991.

Mr Kaifu, 63, was also expected to disappear quickly into the relative obscurity from which he had been plucked when the LDP needed a "clean politician" to lead the party after a spate of scandals and a miserable election in 1989. Instead, he remains in the spotlight, having crossed the party line by refusing to vote against the reform bills, which he said "must be passed this month or they may never be passed".

After apologising repeatedly for returning late to his office, Mr Kaifu explained that he had come from a meeting of LDP faction heads and former prime ministers which agreed that the party should restart debate on electoral reforms. Since falling into opposition last year, the LDP has repeatedly refused to discuss procedure with government, customary in Japanese consensus politics, and boycotted a sitting to extend the present session of parliament.

"I told my colleagues that this sort of behaviour is not good for our public image. We have to get involved in the debate. We should be setting the agenda, but at present, we are always on the defensive and it does not look good," Mr Kaifu said.

Defections from the LDP over the past year have changed the character of the party. Many reformers with whom Mr Kaifu feels most comfortable have joined new parties, leaving a conservative core yet to appreciate the depth of change in Japanese politics and determined to preserve a system of factional patronage that is prone to corruption.

The party appointed a reformer, Mr Yohei Kono, as leader in an attempt to improve its image, but faction leaders have undermined his authority. Mr Kono is forced to give embarrassingly vague answers in public because his script is jointly written by about four powerful figures in the backroom who are often unable to agree on the wording.

'I guess they regard me as a bit of a nuisance'

Mr Kaifu hints that the introduction of reforms and another general election could set the scene for him to leave the LDP, of which he is proud for its "commitment to free markets and democracy". He foresees continuing instability that will test old loyalties and provide new opportunities for a proven leader.

His own sudden exit from the leadership, which came when he ignored the advice of the backroom and pushed ahead with reform, contributed to public contempt for the LDP. Unless the party is more open, he says, it will face continuing unpopularity and defections of MPs to newer parties.

"I understand how the influence of the backroom works. My administration was brought down that way. They moved against me. I understand the pressures on Mr Kono," he said. "I keep telling people to be more open, but I guess that they regard me as a bit of nuisance."

His influence is limited by his membership of the smallest faction, though his good scores in opinion polls and the general recognition that he tried to reform Japanese politics mean that younger LDP members like to associate with him, hopeful that his prestige will rub off on them.

Before a general election last July, he chaired a 184-member political reform committee, which LDP parliamentarians rushed to join, keen to convince voters that they, too, were "reformers". However, the party lost office for the first time in 38 years and a seven-party coalition government was formed by Mr Morihiro Hosokawa.

Mr Kaifu suggests that Japanese prime ministerial style is changing, as his term as leader showed the public preference for straight answers, rather than the bewildering sentence structures employed by his predecessors. He has an affinity with Mr Hosokawa, who also scores well in opinion polls and is a straight talker, but has a fragile power base.

"There are serious problems in the coalition government, but they haven't changed policies. The socialists (Social Democratic party) have always had a strange foreign policy. They said North Korea was good and South Korea was wrong. But the foreign policy hasn't been altered since the coalition arrived. It's still the LDP policy."


Kaifu: public prefers straight answers
Associated Press

Japanese unions demand 6% rises

By Michiyo Nakamoto in Tokyo

Japan's trade unions yesterday demanded pay rises of 5-6 per cent, saying they would stimulate growth and pull Japan out of its recession.

The call by Rengo, the Japanese trade union confederation, contrasts with a proposed pay freeze by Nikkeiren, the employers' federation.

Last year wage increases averaged 3.89 per cent.

Mr Akira Yamagishi, Rengo chairman, criticised the employers' proposal at an executive committee meeting in Tokyo yesterday. He said it would further depress consumption.

Mr Yamagishi blamed management for bringing about the asset inflation which artificially boosted the Japanese economy. The Nikkeiren's proposal showed a lack of responsibility on the part of employers and reflected an extremely anti-social attitude that was difficult to accept, he said.

Nikkeiren yesterday published a report calling for a cap on wages in order to preserve jobs which, it said, should be the top priority. Japanese wage levels were among the highest in the world and if wages rose even further, Japan's international competitiveness would decline, leading to an acceleration of the "hollowing out" of Japanese industry, the report said.

Mr Yamagishi, however, said Japanese companies had sufficient internal revenues to meet wage increases of 5-6 per cent. According to Rengo, Japan's top 50 corporations have internal revenues of Y12,000bn (£71.5bn).

Rengo also called for an emergency declaration by management and labour to tackle the deteriorating employment environment. It said more confrontation could be expected between labour and management.

Investment for Vietnam

By Victor Mallet in Bangkok

Vietnam approved foreign investment projects worth \$2.86bn (£1.9bn) last year, a rise of 47 per cent over 1992, the government media said yesterday.

The ruling Communist party has been liberalising the economy for the past five years, and the country has attracted numerous foreign companies from Asia and further afield.

Investment approvals amount to \$7.5bn since 1987; Taiwan, prominent in the clothing industry, is the biggest investor with \$1.5bn of projects approved so far.

Doing business in Vietnam has proved difficult, however, and the total value of projects actually implemented is only about \$2bn, with oil exploration accounting for much of the money spent.

Investors complain about bureaucracy, corruption and the poor state of Vietnam's transport and communications.

They are also concerned about the inadequacy of the legal system, although the government is attempting to alleviate this problem by enacting the sort of new legislation needed to regulate a market economy.

The national assembly recently passed laws on bankruptcy, the establishment of economic tribunals to adjudicate in commercial disputes, and for environmental protection.

The liberalisation of the economy has created strains among party leaders, with some calling for faster reforms and others lamenting the greed and corruption rampant in the new Vietnam.

A special party conference next week is expected to discuss economic reform and the party's future.

Push to save the Aral Sea

The leaders of five nations have agreed on steps to prevent the Aral Sea in central Asia, one of the world's worst ecological disasters, from shrinking further, Reuter reports from Tashkent.

Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan set up a joint fund and permanent committee to try to save the sea and improve the health of people around it, officials said yesterday after meeting in the Uzbek city of Nukus.

The Aral was once the world's fourth-largest freshwater lake, but irrigation has sapped rivers and reduced it to a quarter of its size. As the sea shrivels, it leaves behind a sandy desert mixed with fertiliser toxins. Storms whip up toxic dust and deposit it as far afield as Pakistan, scientists say.

The health of people living in the sea's basin has deteriorated sharply. Some scientists say 80 per cent of the women and children in the area suffer from anaemia. Infant mortality rates have soared and life expectancy has plunged.

Kazakhstan, Uzbekistan, Turkmenistan and Kyrgyzstan, all former Soviet republics, pledged to pay 1 per cent of their 1994 budgets into the fund, said an official.

Because of its severe financial crisis, Tajikistan was excused from contributing to the fund, to be based in the Kazakh town of Kyzyl-Orda and chaired by Kazakhstan's President Nursultan Nazarbayev, an official said.

Kyrgyz President Askar Akayev expressed willingness to accept a limit on the water the sea consumes from the upper reaches of central Asia's two great rivers, the Amu Darya and Syr Darya, which feed the Aral Sea.

S Korean car challenge to start in US

By Kevin Done, Motor Industry Correspondent, in Detroit

Kia Motors, the second-placed South Korean carmaker, is to begin selling cars in the US next month in the first step towards building a coast-to-coast US franchise by the end of 1995.

South Korean carmakers are rapidly expanding domestic production capacity and developing a growing presence in export markets, particularly in Europe and North America.

Kia's production capacity has risen from 60,000 units a year 10 years ago to 650,000. This is due to rise to 1.25m units by 1997, supported by a $7.75bn (£5.23bn) investment programme in 1993-1997.

The company, in which Ford of the US and Mazda of Japan hold stakes of 10 and 8 per cent respectively, has previously supplied small cars to Ford (formerly the Festiva and now the Aspire) for distribution under the Ford badge in the US.

It is now setting out to build its own independent franchise in North America, however, with the launch next month of its Kia Sephia small family car.

It plans to add a small four-wheel drive sports/utility vehicle, the Kia Sportage, in the autumn. This will be followed by the introduction of an executive saloon range in 1996.

Kia will be the second Korean carmaker to establish its own franchise in the US, one of the most competitive car markets in the world.

It is following Hyundai, which launched its cars in North America in 1986 and enjoyed wildly fluctuating fortunes, with sales rising to 264,000 units by 1988 but falling to only 109,000 vehicles in the US in each of the last two years.

Mr Greg Warner, executive vice-president of Kia Motors America and former chief operating officer of Hyundai Motor America, said that Kia was aiming to carve out a presence in the US by selling on low prices.

It was aiming directly at taking market share from the small cars sold by Japanese producers in the US, such as the Toyota Corolla, Mazda Protege and the Honda Civic.

Japanese carmakers have been forced to raise prices more rapidly than domestic US producers because of the appreciation of the yen, and Kia believes that it can establish a new niche at the bottom of the market.

The Sephia is being launched at a base price of $8,495.

Mr Warner said that Kia was determined to be a "disruptive" presence in the US market.

Kia will be launched first in Oregon next month. In the first few months the Korean carmaker will concentrate on building a dealer presence in the 11 western states of the continental US.

EU, US agree on aluminium

By Nancy Dunne in Washington

The US and EU this week agreed to take a common approach in dealing with the flood of Russian aluminium exports, which has depressed prices and put thousands of workers out of work.

Mr Mickey Kantor, the US trade representative, said the crisis in the aluminium industry was discussed "at the highest levels" during President Clinton's stop in Brussels on Monday, and it would also be broached with President Yeltsin, when Mr Clinton arrived in Russia.

He said aluminium prices had "dropped like a rock" from $1 a pound to about 47 cents a pound. He acknowledged that a voluntary restraint agreement was "certainly one instrument we would consider".

Trade experts say President Clinton urged Europeans to open markets to east European products, while doing little to open US markets.

Mr Kantor met Sir Leon Brittain, EC trade minister, and the two also agreed to push Tokyo towards improving its market access offer in the Uruguay Round.

John Barham on changing fortunes of a Paraguay frontier town

Free-trade threat to a real market

So deep runs the despondency among the merchants of Ciudad del Este, a Paraguayan town close to the frontiers with Brazil and Argentina, that they are hoping for deliverance at the hands of Argentinian tourists.

Fortunes were once made in Ciudad del Este by selling vast quantities of duty-free goods to Brazilians. These days, though, Brazilians have little money to spend. At the same time, competition for their business is keener than ever.

Traders are now hoping that some of the hundreds of thousands of Argentinian tourists expected to take their holidays in southern Brazil over the coming three months will drop by Ciudad del Este on their way home.

Desperate traders hope they could raise their sales, if only by about 1 per cent, should 100,000 Argentinians visit Ciudad del Este this summer.

The duty-free business turns over surprisingly large amounts of money. Mr Guillermo Campuzano, the mayor, claims Ciudad del Este will do $5bn-$7bn worth of business this year, although shopkeepers regard that as too optimistic. The trade is one of Paraguay's most important sources of revenue and creator of jobs.

Busy, chaotic and filthy, Ciudad del Este only comes alive when the first shops open and streetsellers begin unpacking their wares ready for the first busload of shoppers.

Orange plastic sheeting stretched across the pavements softens the harsh sunlight. Makeshift stalls offer an infinity of goods: women's underwear, toys, fishing rods, sunglasses, batteries, tool sets. Hawkers peddle anything from Chinese-made battery-powered shavers to perfume of doubtful provenance.

The shops and shopping centres – owned mainly by Arab and Chinese traders – sell American cigarettes and trainers, Japanese video cameras, Persian carpets, English china, Scotch whisky, and Swiss Army knives.

Ciudad del Este and the nearby Brazilian city of Foz do Iguaçu have become twin cities. Buses shuttle between them every five or ten minutes. Many of Ciudad del Este's wealthier merchants live in Foz.

Everything in Ciudad del Este is much cheaper than in Argentina or Brazil because Paraguay has low taxes and import duties and because smuggling and tax evasion are rife.

Traders depend on Brazilians for 95 per cent of their sales. Specialist Brazilian magazines list goods, prices and the shops where they are available. Travel agents sell "shopping packages". Charter buses travel in convoys on the long return journey to avoid ambushes by highway robbers.

Most of the shoppers are small-time Brazilian smugglers know as "ants". One woman said "I only buy cheap junk. You know toys, radios, things like that."

But the ants' clients are getting poorer and poorer as Brazil's economic problems deepen. Mr Hussein Teiyen, the Lebanese-born president of the chamber of commerce, says sales have halved to $10m-$15m per day since 1990. "There are more sellers than buyers," he says. "There are 50,000 people in the city selling. But there are not 50,000 people coming here to buy."

Furthermore, Paraguay's rudimentary economy is in the throes of free market restructuring. The unemployed drift to Ciudad del Este in search of either a job or, more frequently, a living of sorts as a street-seller.

Another problem is a crackdown on tax evasion by the new government of President Juan Carlos Wasmosy. This has already led to the replacement of 80 per cent of Ciudad del Este's customs officers.

Under General Alfredo Stroessner, who ruled Paraguay for 35 years, corruption and contraband were an integral part of the political system. But Mr Campuzano admits that "a culture of 35 years, where the abnormal was normal, means it is very difficult to change mentality in a few years".

The prospect of advancing hordes of Argentine shoppers, made wealthy by rapid growth and an over-valued currency, is electrifying Ciudad del Este. Merchants say Argentinians are both wealthier and more discriminating shoppers than Brazilians, preferring higher-priced wares such as perfumes and silk scarves.

Trade liberalisation is probably Ciudad del Este's most serious long-term threat. Mercosur, the planned South American common market linking Argentina, Brazil, Paraguay and Uruguay is meant to come into force in 1995 and will require members to levy a common external tariff and remove internal trade barriers.

Traders say trade liberalisation in Argentina and Brazil has already forced them to cut margins. Ciudad del Este is such an important revenue source that Paraguay is thinking of making the city a free trade zone after 1995.

It may not take much to wreck Ciudad del Este, as can be seen by nipping into Argentina. Traders in the nearby town of Puerto Iguazú, a smaller rival of Ciudad del Este, were ruined by the strong exchange rate introduced by the government of President Carlos Menem. The hordes of shoppers have gone, the hotels lie empty and shops are boarded up.

Etra joins top rival

Etra, one of the four consortia racing to meet Saturday's pre-qualification deadline for bids to run Italy's second mobile telecommunications network, has made a surprise decision to join forces with a leading rival, reports Haig Simonian from Milan.

The Etra group, predominantly comprising subsidiaries of the state-owned Eni energy and chemicals holding company, is merging with Unitel, a rival made up of Fiat, Fininvest and Vodafone of the UK.

The move comes amid hectic last-minute preparations for the January 15 deadline. The list of companies deemed to have met the qualification criteria should be released by the end of January, and the winning candidate is expected to be announced by the end of April.

Italy's is one of Europe's fastest-growing mobile telephone markets, with more than 1.1m subscribers to the existing network, run by the state-controlled Sip telecommunications monopoly.

Mobile telecommunications in Italy have caught on fast since being inaugurated in 1985, and the market is now the third biggest in Europe after the UK and Germany.

Acid plant for Amoco

Amoco Chemicals of the US, one of the world's largest petrochemicals manufacturers, is to build a M$1.2bn (£307m) plant in Malaysia to produce purified terephthalic acid, a basic ingredient for making polyester, reports Kieran Cooke from Kuala Lumpur.

The plant, to be built in the state of Pahang on the east coast of peninsular Malaysia, will have an initial production capacity of 500,000 tonnes of PTA.

The Malaysian government has been encouraging investors to move away from areas around Kuala Lumpur and the island of Penang off the west coast and go to parts of the country where there are plentiful supplies of workers.

The state of Pahang has already established itself as a centre for Malaysia's fast expanding petrochemicals industry.

Amoco has been investing heavily in the east Asia region and already has manufacturing facilities in Taiwan, South Korea, Japan and China.

As well as its facility in Malaysia - due to be completed by the end of 1995 - Amoco is also considering new ventures in Singapore and Indonesia.

European drugs market stagnant

By Paul Abrahams

Europe's drugs market continued to stagnate during the first 10 months of last year, following healthcare reforms in Italy and Germany.

The value of the seven largest markets fell, in dollar terms, from $43bn (£28.8bn) during the 10 months to October 1992, to only $37.9bn for the equivalent period last year. Net of exchange rates, the seven markets registered no growth, according to figures compiled by IMS International, the specialist market research company.

Germany remained the market most severely hit. Pharmacy drugs sales fell 10 per cent at constant exchange rates, down from $12.25bn to $10.4bn following the Seehofer reforms introduced in January last year. The Italian market also fell as sales dropped from $9.33bn to $7bn (down 3 per cent in lira terms).

The British, Spanish and Dutch markets continued to demonstrate double-digit growth in local currencies. Sales in the UK fell from $4.6bn to $4.2bn in dollar terms, but increased 10 per cent in sterling. Spanish sales also fell in dollar terms, down from $4.1bn to $3.7bn, but rose 11 per cent in local currency terms. The Dutch market increased from $1.26bn to $1.33bn, a rise of 11 per cent in local currency.

The French and Belgian markets continued to grow, though more slowly than other markets. Pharmacy sales in France dropped from $10.1bn to $9.9bn, but increased 6 per cent in franc terms. The Belgian market was static at $1.2bn, but rose in local currencies by 5 per cent.

Some important therapeutic areas registered zero or negative growth. Sales of cardiovascular drugs dropped from $9.7bn to $8.4bn, a decline of 3 per cent in local currencies. This was mostly because of a decline in prescribing patented ace-inhibitors and cholesterol-lowering drugs in Germany.

Sales of alimentary and metabolism treatments – mostly H2-antagonists for ulcers – were static in local currency terms, but fell from $7.3bn to $6.4bn. Musculo-skeletal drugs – mostly anti-arthritic compounds – registered a 5 per cent decline in local currencies, down from $2.6bn to $2bn. Blood agents also recorded a fall, down 3 per cent from $2bn to $1.7bn.

No therapeutic area registered double-digit growth. Central nervous system treatments increased sales by only 2 per cent, while respiratory drugs – mostly for asthma – were up only 3 per cent. The fastest growing sector was anti-infectives – antibiotics and anti-virals – up 5 per cent in local currencies.

FT·JAPAN CLUB
ANNUAL REPORT SERVICE

Energia

THE CHUGOKU ELECTRIC POWER CO.,INC.

Koki Tada
President and Director

The Chugoku Electric Power Co., Inc. has the responsibility for supplying power in the Chugoku region. Its related operations include the construction of power plants and equipment for transmission, transforming and distribution, as well as maintenance.

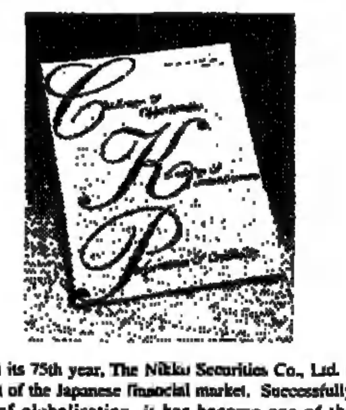
The Chugoku region comprises 32,000 square kilometres, and holds about 7,840,000 inhabitants. The Chugoku region is an important part of Japan's industrial economy. The internationalisation of the region is expected to accelerate further with Hiroshima hosting the 12th Asian Games in 1994.Chugoku Electric is dedicated to developing the region's potential as a supplier of electric power and is willing to contribute to the region making full use of its management resources.

HITACHI

Tsutomu Kanai
President and
Representative Director

The corporate principle of Hitachi, Ltd., which was founded in 1910, is to contribute to society through technology. In the 83 years since its inception, the company has become one of the world's leading manufacturers of electrical and electronic equipment, with fiscal 1992 consolidated sales of ¥7,536 bn. 818 consolidated subsidiaries, 219 of which are overseas companies, and more than 330,000 employees. Hitachi believes that corporate progress is driven by research and development. Annual expenditure on R & D amounts to over Y500 bn., or about 7% of sales. Hitachi's main products are computers, semiconductors, telecommunications equipment, power generating equipment, industrial machinery and consumer products. Hitachi's shares are listed on eight stock exchanges in Japan and on exchanges in New York, Frankfurt, Amsterdam, Paris and Luxembourg.

The Nikko Securities Co., Ltd.



Now in its 75th year, The Nikko Securities Co., Ltd. remains at the forefront of the Japanese financial market. Successfully pursuing its policy of globalisation, it has become one of the leading international securities firms and investment banks.

Nikko continues its role as an innovator with its breakthroughs in investment technology (IT) and by its development of sophisticated financial products. Nikko is poised to enter the 21st century as one of the world's leading financial companies.

Looking ahead to the changes in the world's financial market that the next century will bring, we will continue to provide the latest investment opportunities and financial products to our customers.

BANK OF TOKYO

"I am pleased to announce the Bank of Tokyo's membership in the FT Japan Club, which we hope will enhance communications with investors in the United Kingdom and continental Europe.

Tasuku Takagaki
President & Chief Executive Officer

The Bank of Tokyo Group is Japan's leading global financial institution, with more than a century of experience in international markets and a network of over 400 offices, subsidiaries and branches worldwide.

In the year ended March 31, 1993, the Group continued to expand net profit of core business, supported by the fourth consecutive year of double-digit growth in net interest income.

At 9.66%, the Group's BIS capital adequacy ratio is the highest of Japan's 14 major banks.

SHISEIDO COMPANY LIMITED

Dedicated to the Science of Beauty and Wellbeing

Yoshiharu Fukuhara
President and C.E.O.

Founded in 1872, Shiseido is one of the world's largest cosmetics companies, bringing a distinctive blend of science and aesthetics to its activities.

Shiseido manufactures and markets quality make-up and skin-care products, fragrances, toiletries, professional salon-use items, foods, and pharmaceuticals in more than 40 countries.

In Japan, the company also manages restaurants, fitness clubs, and fashion boutiques. In fiscal 1993, consolidated net sales reached US$4,883 million, with consolidated net profits of US$360 million before taxes. Net income per share was US$0.29, and cash dividends were declared at US$0.10 per share of common stock, on par with fiscal 1992.

TORAY INDUSTRIES

Katsunosuke Maeda,
President & CEO

Founded in 1926, Toray Industries, Inc., is Japan's largest manufacturer of synthetic fibers and textiles, high-performance films, and engineering plastics. Toray leads the world in the development and production of carbon fiber and other advanced composite materials.

Building on its unique technological strength, Toray is diversifying into chemicals, pharmaceuticals, medical supplies, electronics materials, housing and construction materials and engineering.

A truly global enterprise, Toray's international marketing and manufacturing network span more than 180 subsidiaries and affiliated companies worldwide. In all of the communities it serves, the company strives to play a full and constructive role.

PIONEER ELECTRONIC CORPORATION

Seiya Matsumoto
President and
Representative Director

Pioneer Electronic Corporation is a world leader in consumer, commercial and industrial AV (audio/video) fields, especially those involving laser optical technologies. Pioneer has introduced several innovative products such as laser disc (LD) players, car CD players, laser karaoke systems, rewritable videodisc recorders, high-definition LD players and car navigation systems.

The company is now actively combining audio, video and communications technologies into new products and systems that will create new markets and further broaden Pioneer's business horizons.

Pioneer's shares are listed on Tokyo, Osaka, New York (ticker symbol PIO), Amsterdam and Luxembourg stock exchanges.

FT · JAPAN CLUB ANNUAL REPORT SERVICE

Please send me these Annual Reports: Tick boxes ❑

- ❑ The Chugoku Electric Power Co
- ❑ Hitachi
- ❑ The Nikko Securities Co. Ltd.
- ❑ Bank of Tokyo
- ❑ Shiseido Company Limited
- ❑ Toray Industries
- ❑ Pioneer Electronic Corporation

Please attach your business card or write your name and address in this space.
Please use BLOCK CAPITALS

Mail or Fax to :FT-Japan Club Annual Report Service
Dept. 3000, PO Box 384, Sutton Surrey SM1 4XE United Kingdom (Fax No. +44 81 770 3822)

George Graham on White House fears of an erosion of credibility

Democrats join come-clean calls

While President Bill Clinton has been quaffing Pilsner with Czech President Vaclav Havel in Europe, controversy over his investments in Arkansas in the 1980s has continued to ferment, threatening to damage his credit with the US public.

The controversy is over whether a bankrupt Arkansas savings and loan organisation used its funds to prop up the Clintons' investments in an Ozark mountain property venture known as Whitewater or to pay off Mr Clinton's campaign debts from his 1984 race for the state governorship.

Mr and Mrs Clinton made the $68,900 investment in 1978 in partnership with Mr James McDougal, owner of Madison Guaranty, an Arkansas savings and loan. The Clintons say they lost all their money.

Republican critics want an investigation of whether Mr Clinton as governor intervened to delay the shutdown of Madison, which failed in 1989 at a cost to taxpayers of around $50m. They also want to examine suggestions that Madison money was improperly channelled to Whitewater and to Mr Clinton's 1984 campaign fund.

Mr McDougal denies that the Clintons benefited in any way from his handling of Madison, and notes that he was acquitted in 1990 of fraud charges brought by a Republican-appointed prosecutor.

Adding to interest in the case, the Clintons' Whitewater files were handled by Mr Vincent Foster, the deputy White House counsel who committed suicide last year.

Despite the intense Republican pressure, neither the Whitewater controversy nor allegations last month by two Arkansas state troopers about Mr Clinton's sex life as governor appear to have damaged his popularity.

A Washington Post-ABC poll published yesterday showed that 59 per cent of those questioned approved of the job Mr Clinton is doing as president, with 36 per cent disapproving – a rather better rating than the same survey's finding in December, before both sets of allegations boiled over.

The Clintons: he says not a single soul has alleged any wrong-doing

Another poll published by USA Today and CNN showed Mr Clinton's approval rating holding steady at 54 per cent, and 72 per cent said Whitewater had had no effect on their opinion.

Nevertheless, White House advisers fear a steady erosion of Mr Clinton's credibility, with both polls showing a decline in the number of people believing in his honesty and integrity.

The White House strategy for dealing with the Whitewater charges, which were also raised during the 1992 presidential election campaign, had been to stonewall. As Mr Clinton put it: "I didn't do anything wrong. I made an investment and lost money. I then spent more money to document that we'd lost money. All the federal investigators in the world that have looked into this, not a single soul has alleged that I've done anything wrong."

The White House and attorney general Janet Reno have tried to deflect calls for the appointment of a special counsel to investigate the matter, arguing that anyone she named would be viewed as no more independent from her than the career justice department official now in charge of the investigation. But the move has become inevitable after nine Democratic senators joined a chorus of Republicans in urging the president to ask for a special counsel.

Mr Clinton said in a television interview in Prague that he had given all the information he had to the Justice Department, but "then people said 'Well, that's not enough'... So I think we have to evaluate that and see where we are."

White House officials are understood to be urging Mr Clinton to make public all the documents he has handed over to the justice department and are also recommending that he ask Ms Reno to appoint an independent counsel. Because they were the object of a subpoena, the documents are currently secret.

Ms Reno would have to name the counsel herself, since the law passed in the wake of the Watergate scandal 20 years ago providing for a special counsel to be named by a judicial panel lapsed last year.

Whatever Mr Clinton does, he can scarcely win. Keeping the Whitewater documents sealed fuels his political enemies and feeds speculation that he might have something to hide. Publishing them will just create a flurry of further news reports.

But with senior members of his own party such as Senators Pat Moynihan and Bill Bradley urging him to ask for a special counsel, Mr Clinton can no longer complain that the furore is just partisan politics – an argument that has carried less weight all along because the Republican attack has been led by the eminently moderate Congressman Jim Leach of Iowa, rather than the party's more rabid tub-thumpers.

President orders Chiapas ceasefire

By Damian Fraser at San Cristóbal de las Casas

President Carlos Salinas of Mexico yesterday ordered an immediate unilateral ceasefire in the conflict areas in the southern state of Chiapas.

The suspension of military action came after the army had claimed to have regained control of the former rebel strongholds. Mr Salinas offered an amnesty to rebels who had acted under duress or from desperation, and who now accept peace.

The rebellion in Chiapas by the Zapatista Army of National Liberation, which began on January 1, has already cost more than 100 lives. On Monday, it led to a re-shuffle of the national cabinet after the hard-line interior minister, Mr Patrocinio González, was forced to resign.

In a televised speech to the nation, the president said the army would only respond if attacked. He hoped the decision would be "the first step to save lives and find new ways of conciliation". He indicated that the government would respond to the social demands of the local population.

The defence ministry said civil authorities had regained control of the towns which had been seized by rebels. The army yesterday opened roads to the conflict areas which had been sealed.

Killing dents hopes of left in Brazil

By Angus Foster in São Paulo

Mr Luiz Inácio Lula da Silva, the left-wing politician who leads the opinion polls for Brazil's presidential election, due in November, is facing his first test in what threatens to be a dirty campaign, following the death last week of a São Paulo union leader.

Mr Osvaldo Cruz Júnior was shot four times in the back by a colleague in what seemed to be a personal argument about union cuts planned by Mr Cruz. But right-wing politicians and Brazil's media, which is largely controlled by figures of the centre and the right, have alleged a political motive for the killing and are using it to attack Mr da Silva, known popularly as Lula.

The allegations stem from criticisms by Mr Cruz in November last of Brazil's largest union grouping, the CUT, which is the main backer of Lula's Workers Party (PT).

Mr Cruz had claimed that CUT unions gave financial and other support to Lula's 1989 presidential campaign and to PT candidates in local elections in 1992. At the time, such support was illegal, but widely practised. Mr Cruz provided no proof and his allegations were strongly denied by the PT.

Lula's opponents alleged Mr Cruz was killed to stop him making more damaging revelations about links between the CUT and the PT. TV Globo, the country's most popular television network, has changed its policy of ignoring Lula – despite his strong lead in the polls – and has focused on the case in detail his week.

The right-wing Senator Espiridião Amin, from the southern state of Santa Catarina, has used the controversy to call again for a special Congressional inquiry into the CUT and its funding. Such a probe, blocked because of its political sensitivity, now looks likely to go ahead, possibly this week.

Mr Amin, like the mayor of São Paulo, Mr Paulo Maluf, is a member of the Progress and Reform Party. The mayor, with 12 per cent in the presidential polls, is the closest rival to Lula, who had about 30 per cent just before Christmas.

An inquiry could be embarrassing for Lula and the PT. It is expected to last six months and would coincide with the official start of the presidential campaign in June. An investigation could also end the PT's so-called "monoply of morality", which it has enjoyed since corruption allegations started to taint other Brazilian political parties last year.

US producer prices fall again

By Michael Prowse in Washington

A sharp fall in energy costs – reflecting lower world oil prices – led to a decline in US producer prices for finished goods last month, the third fall in the past six months, the Commerce Department reported yesterday.

The "core" producer price index, which excludes the volatile components of food and energy, rose 0.2 per cent between November and December, indicating that underlying inflationary pressures remain moderate at the wholesale level.

For 1993 as a whole, producer prices rose 0.2 per cent, against 1.6 per cent in 1992. Core producer prices rose 0.4 per cent last year, the smallest increase since the index was first calculated in 1974.

The index for "intermediate" goods, which gives advance warning of likely trends in prices for finished goods, was also subdued, falling 0.2 per cent last month and rising by 1 per cent during 1993.

Most analysts expect inflationary pressures to remain modest this year. Merrill Lynch, the New York investment house, yesterday predicted producer prices would rise by about 1 per cent this year.

However J.P. Morgan, the New York bank, struck a cautious note, warning that "idle capacity is close to levels associated with rising inflation in the past."

Chaos uncovered at Argentinian ministry

By John Barham in Buenos Aires

An investigation by government auditors has uncovered cases of gross maladministration and possible corruption at Argentina's Health and Social Action Ministry.

The Auditor General's office has found that some 40-50 per cent of the ministry's $957.3m (£651m) 1993 budget was not spent. Some 2,000 authorisations for cash payments are missing.

More than 80 per cent of the budget for the elderly had not been spent. Mr Alberto Mazza, health and social action minister, rejected the findings, saying they only covered the January-October period.

The auditor's investigation, leaked to the media yesterday, coincides with demands that the government improve its chaotic social policies at a time when unemployment and social tension are rising as a result of its economic reforms.

The government's social services budget rose 4 per cent this year to $25.63bn, but execution of spending programmes is widely agreed to be disorganised and wasteful.

Mr Domingo Cavallo, the powerful economy minister, now seems intent on using disarray at the Health and Social Action Ministry to extend his control over social policy. As local governments now carried out most social spending, he would set up a "system of punishment and rewards. Those working well would be given more federal resources.

UP TO

50% OFF

AT SIMPSON'S SALE.

(TOO GENEROUS BY HALF.)

OPEN TODAY 10AM-6PM

At Simpson's Winter Sale the season of goodwill stretches all the way from 27th December to 29th January. With prices cut by up to a half on DAKS and other quality men's and women's wear it seems our generosity knows no bounds. You can even get 30% discount on famous designer names like Guy Laroche, Betty Barclay and Fenn Wright and Manson. So come to Simpson's Sale before we come to our senses.

FROM OUR LADIES' RANGE	WERE	NOW	FROM OUR MEN'S RANGE	WERE	NOW
DAKS duffle coats	£265	£129	DAKS blazers	£299	£149
DAKS jackets	£289	£139	DAKS suits	£399	£199
Domina two pieces	£259	£159	DAKS trousers	£99	£69
Pringle cashmere sweaters	£137.50	£90	Cotton business shirts	£39.95	£29.95

Simpson Piccadilly Winter Sale. 203 Piccadilly, London, W1.

DAKS Sale. 183 Sloane Street. Open Mon - Sat 10am - 6pm. Weds 10am - 7pm.

Simpson PICCADILLY 071-734 2002

PROFITING FROM RISK

For all those involved in risk and exposure management, there has never been a greater need for concise, helpful information about the problems of exposure management and their IT solutions.

To ensure that history's mistakes are not repeated, nowadays there is more to do than limit the dealings of an individual trader. Systems must be put in place to take account of an entire trading floor - or even assess the risk profile of the global book.

The Profiting From Risk conference will address the following key areas:

* **How do you maximise the use of capital?**
* **What mechanisms can be put in place to help manage your exposure?**
* **What is the cost of not taking exposure management seriously enough?**

Profiting From Risk will bring together key members of the risk management community - both regulators and practitioners - who will offer their insight into these vital issues.

Speakers include:

ANDREW COLEMAN - Member of G30 Global Derivatives Study Working Group

JANE COAKLEY - Advisor on financial regulation to the SIB

TED HALL - Head of Product Development, NatWest Securities

ANTHONY HILTON - Managing Director, Evening Standard

RICHARD CRAMPTON - Managing Director, Bank of New York

PETER GOLDEN - Technical Director, BZW

DAVID LAWRENCE - Vice President, Global Finance Risk Management, Citibank

RICHARD HO - Senior Derivatives Manager, Lazard Brothers

SHAUN WAINSTEIN - Risk Management Group, Paribas Capital Markets

The fee for the conference is £325 plus VAT (or equivalent dollar amount) per delegate; discounts are available for multiple bookings.

To receive full details together with a conference brochure and registration form, fill in the form below and return it to:

STI Conference Services, Suite 101, Butlers Wharf Business Centre, 45 Curlew Street, London SE1 2ND.

Tel: 071-417 7404/5/6/7 Fax: 071-417 7409

Please send me details of the conference 'Profiting From Risk' on February 8, 1994

Name (MR/MRS/MISS/MS) ______

Company name ______

Address ______

______ Post code ______

Return to: STI Conference Services, Suite 101, Butlers Wharf Business Centre, 45 Curlew Street, London SE1 2ND.

One day conference
Tuesday, February 8, 1994
The Brewery, Chiswell Street, London EC1Y 4SD

Organised by
SECURITIES TECHNOLOGY INTERNATIONAL

Sponsored by
ACT FINANCIAL SYSTEMS
and
HEWLETT PACKARD

BP to shut giant Welsh ethylene plant

By Daniel Green and Roland Adburgham

BP is to shut its loss-making ethylene plant at Baglan Bay, west Glamorgan, Wales, with the loss of 600 jobs. The cost will be included in an exceptional charge of £200m in the group's fourth quarter results.

BP has lost "tens of millions of pounds" in ethylene manufacture at Baglan Bay in each of the last two years. It cut output by almost half last summer but that was not sufficient, said Mr Stephen Pettit, chief executive of BP's petrochemicals division.

Mr Bryan Sanderson, chief executive of BP Chemicals, said the closure was forced by overcapacity of the product and the European recession.

Also to close are operations treating gasoline and making ethyl benzene.

The plant, one of BP Chemicals' four main UK manufacturing sites, will still employ 510 staff and contractors after the ethylene cracker shuts at the end of March.

Baglan Bay's ethylene cracker was commissioned in 1972 and at one time employed over 2,000 people. It is still the second largest private sector employer in West Glamorgan, after British Steel.

Its closure comes against a background of chronic European overcapacity in ethylene, which is used in the manufacture of plastics and solvents. A Europe-wide plan to help companies cut capacity foundered in December.

The Baglan Bay plant, which has a capacity of 335,000 tonnes a year, was too small and used the expensive naphtha technique for making ethylene, said Mr Pettit.

It accounts for about one fifth of BP Chemicals' ethylene manufacturing capacity. Production will be increased at another of BP's plants at Grangemouth, Scotland.

The closure of the cracker will take £17m out a year of the local west Glamorgan economy which BP has been spending on contracts and supplies.

"This is devastating news for the area," Mr Norman Thomas, chairman of West Glamorgan's economic development committee, said.

The 600 job cuts follow 200 other redundancies in West Glamorgan in the past few weeks and 370 jobs are due to go at the Port Talbot cigar makers JR Freeman.

In recent years BP has contracted out many services such as rigging, scaffolding and insulation, and 250 out of 400 contracting jobs will be lost over the next 12 months. BP will spend £3m on a job creation programme.

The county council criticised the government for downgrading the region in its review of assisted areas last summer and called for the decision to be reviewed.

Lloyd's Names group 'unable to accept' offer

By Richard Lapper

Leaders of nearly 3,000 loss-making Merrett Names at Lloyd's yesterday said they were unable to accept a settlement offer, designed to bring an end to legal action involving 17,000 individual members, whose capital supports the insurance market.

The Merrett Names, whose losses relate to the 1985 underwriting year, are one of the three biggest groups of loss-makers at the market which has been rocked by losses of more than £6bn in the last five years. Two other groups – the Gooda Walker and Feltrim Names – meet next week to discuss the deal, which Names must accept or reject by 14 February.

Describing the settlement document as "one-sided" and the offer a "small pittance" Mr John Mays, deputy chairman of the Merrett Names' Association, said the group would continue its legal fight "both for justice and to change the culture of Lloyd's." Names wishing to accept the deal must resign from the association.

The settlement announced last month offers Merrett Names only £44.07m in compensation, compared to losses to date of more than £135m. The association expects losses to eventually reach £765.06m and said the deal is worth less than 6p in the pound to its members.

Merrett syndicate 418, which has now ceased to underwrite, is unable to close its accounts for the 1985 year because of uncertainty over the scale of liability claims, many of which are from US asbestosis and pollution cases.

Mr Ken Lavery, chairman, told the meeting that 673 of the 925 Merrett Names responding to a survey conducted by the association would either reject or were inclined to reject the settlement offer. Only 164 of those replying leaned towards accepting the deal.

The group's legal action against agents and auditors is expected to come to court early next year.

Separately Merrett Names were urged to lend their support to a call by action group leaders to hold a new extraordinary general meeting in order to overturn changes to Lloyd's voting rules introduced last month.

Warning on competitiveness of Britain's fishing fleet

By Alison Maitland

Britain is losing its capacity to build and repair fishing vessels, threatening the competitiveness of the fleet, says a report published today by the Sea Fish Industry Authority.

It should be building three times more big fishing boats a year to prevent the fleet ageing, says the report. But only 37 yards built fishing boats in 1992 compared with 68 in 1987.

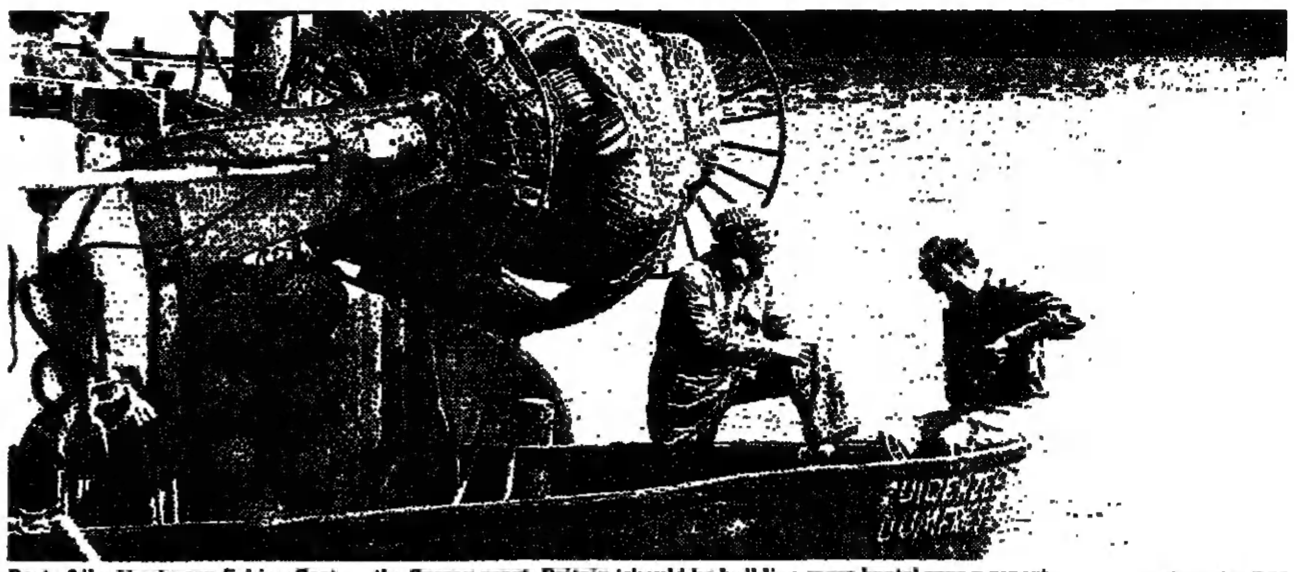
Yards undertaking repairs fell by 12 per cent in the same period. Employment in construction and repairs dropped by 37 per cent overall, while more than half the workforce left the industry in Scotland and Northern Ireland.

"The trend is worrying because the UK fleet is, on average, already fairly old and current rates of new building and withdrawals are not enough to stop it ageing further," said Mr Peter Chaplin, chief executive of the Edinburgh-based authority.

"Unless we reverse the trend, our fleet will continue to age at the same time as our European neighbours are taking steps to modernise."

The average age of boats over 10 metres is now 22.5 years, the report says. Britain should be building about 76 boats of this size a year, while at the same time withdrawing 190 old vessels a year to meet the 19 per cent reduction in fleet capacity required under EU rules.

By contrast, the report says, too many boats under 10 metres are being built, although the recent introduction of licences for these boats may halt the trend.



Part of the Newhaven fishing fleet on the Sussex coast. Britain 'should be building more boats' says a report

Import threat to jobs in chemicals

By Daniel Green

The £28bn-a-year UK chemicals industry will shed more than 10,000 jobs during 1994 as companies struggle to compete with foreign suppliers, according to forecasts from the Chemical Industries Association (CIA), yesterday.

Output, investment and exports will nevertheless rise as the UK leads the rest of Europe in a sector recovery.

Productivity growth in the UK will be "very positive", said the CIA. It forecasts a 3 per cent fall in employment and a rise in output of 2.5 per cent.

An increasing proportion of production will be exported, and the trade surplus is likely to rise from £3.8 billion to "over £4bn", said Mr Richard Freeman, chief economist at ICI and chairman of the CIA Economic Appraisal Committee.

Excluding pharmaceuticals, growth in chemicals production will rise from 1 per cent in 1993 to 2 per cent this year, according to Mr Freeman.

The UK and France will be the only two large countries in western Europe which will raise investment this year.

However, the Continent will show a much sharper change in investment strategy with, for example, western Germany turning last year's 21 per cent cut in investment to just a 2 per cent fall in 1994.

The figures were given at the annual business outlook conference held by the CIA, the UK industry association.

At the same conference, the CIA's director general, Mr John Cox, said that the successful implementation of the Uruguay Round of Gatt talks "should be worth an additional £1bn per annum for the chemical industry by the end of the decade."

However, Mr Clive Thompson, vice president of operations and supply at Arco Chemical Europe, warned that "there are few bright signs of competitiveness in the [European] chemicals industry."

Greenpeace hopes for review of Thorp

By Bronwen Maddox, Environment Correspondent

Greenpeace, the environmental pressure group, expects to be told in the high court today that it has won permission to bring a judicial review of the government's decision to grant a licence to the £2.8bn Thorp nuclear reprocessing plant at Sellafield in Cumbria.

Its application for a review will not be contested by British Nuclear Fuels, the plant's owner, or by the government, BNF's shareholder.

According to the terms of the licence, announced by the government before Christmas, BNF can begin operating the plant from January 17.

The 500m long plant, which is designed to extract reusable uranium and plutonium from used nuclear fuel, will then become radioactive.

Greenpeace said yesterday that if a review is granted, it will take place in early February.

However it has decided not to ask the courts to delay Thorp's operation until after a review hearing.

It says BNF will be occupied with preliminary tests of the plant until mid-February, and the plant will remain largely uncontaminated until then.

BNF, which has said that Thorp will earn at least £900m for the UK in its first ten years – a claim widely criticised during the consultation process prior to the government go-ahead – said yesterday it was looking forward to beginning full operation of the plant.

Upbeat picture for tourism industry

A record number of visitors to Britain spent more money than ever before in the first 10 months of 1993, it was announced yesterday.

According to the British Tourist Authority, it was western Europeans rather than Americans who helped push up the figures. With the final two months' figures still to come in, 1993 is set to become a record year for visitor numbers.

Britain welcomed 16.5m overseas visitors between January and October last year – an increase of 4 per cent on the same period in 1992.

They spent a record £7.8bn – 15 per cent up on the same period a year earlier.

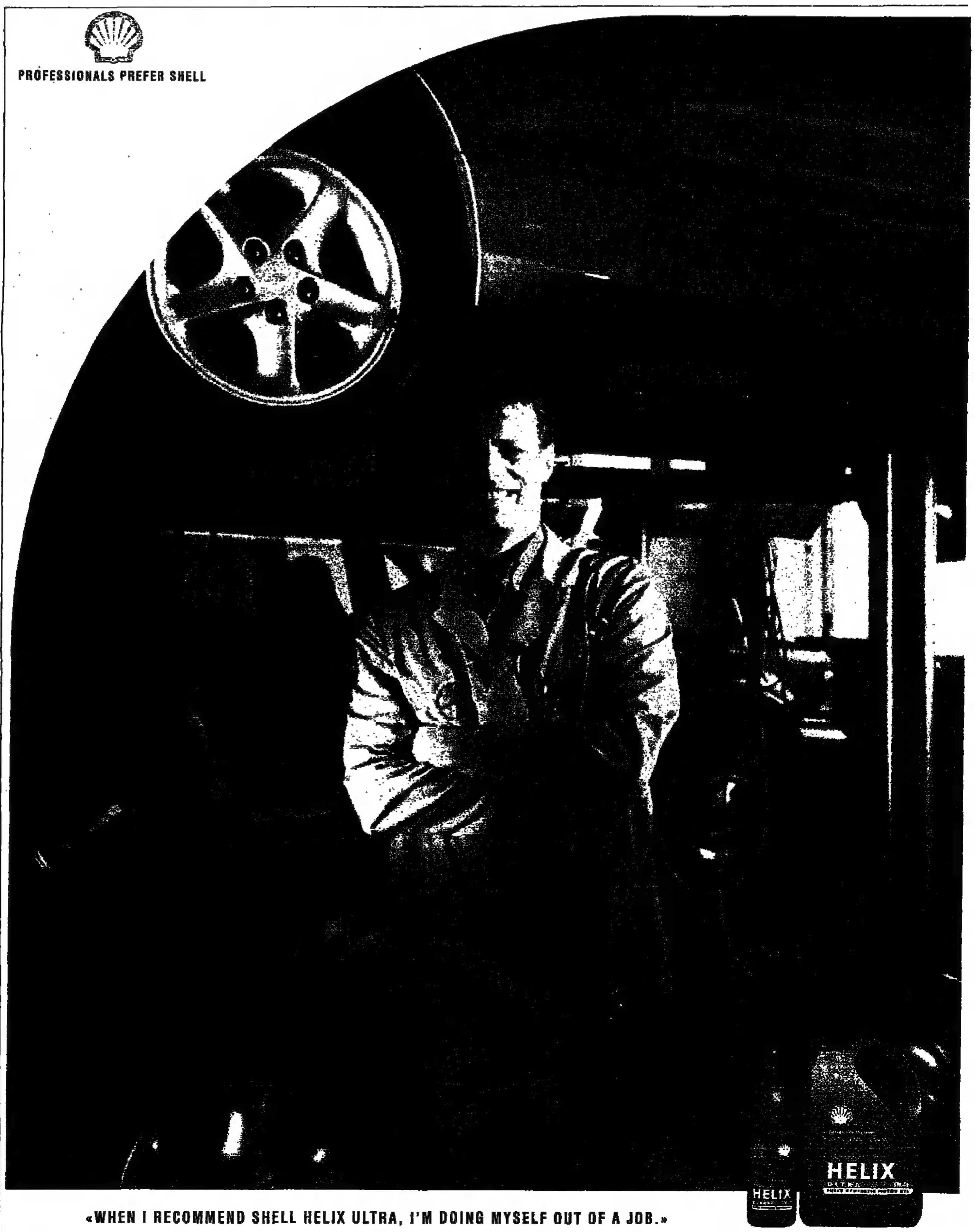
While the number of visitors from North American fell by 3 per cent in the first 10 months of 1993, the numbers from Western Europe were up by 6 per cent.

October 1993 was itself a record month – with spending up 25 per cent to £820m and visits increasing 8 per cent to 1.6m.

● A record 1.7m people visited London's Tate Gallery last year – 200,000 more than in 1992.

The gallery, at Millbank beside the Thames, attributes the increase to its decision to circulate annually a selection of its many exhibits, among the most popular of which is Rodin's sculpture The Kiss.

The Tate is expecting a quarter of a million visitors to its forthcoming three-month Picasso exhibition, starting on February 16.



«WHEN I RECOMMEND SHELL HELIX ULTRA, I'M DOING MYSELF OUT OF A JOB.»

We'd like to apologise to garage mechanic Arnold Micus. On the one hand, he has to admit that Shell Helix Ultra is the best oil money can buy. On the other, he agrees that it protects engines so well that they're less likely to need repairing. So while he's sure his customers will be more than satisfied with Helix Ultra's fully synthetic formulation, he knows he won't be seeing them quite so often. Once again, sorry Arnold.

The Government of

PUERTO RICO

is soliciting investor interest in the:

CARIBE HILTON HOTEL & CASINO

A world renowned 668-room oceanfront hotel

PONCE HILTON HOTEL & CASINO

A new, deluxe 156-room hotel set on the Caribbean

MAYAGUEZ HILTON HOTEL & CASINO

An established 150-room hotel on Puerto Rico's West Coast

GRAN HOTEL EL CONVENTO

A landmarked 100-room hotel in Old San Juan

CONDADO BEACH TRIO

An oceanfront complex of two hotels with 482 rooms and a convention center:

- Condado Beach Hotel & Casino
- La Concha Hotel
- El Centro Convention Center

Please contact our exclusive Financial Advisor for further information

John D. Lyons or Robert M. White, Jr. (212) 315-7297

EASTDIL REALTY, INC.

40 West 57th Street, New York, NY 10019

FESTIVAL OF FOOD & FARMING
Hyde Park May 1995

SPONSOR SOUGHT FOR ONE OF BRITAIN'S LARGEST AND MOST SUCCESSFUL EVENTS

The Directors of British Food & Farming Limited are seeking a new sponsor for the 1995 Festival of Food & Farming in Hyde Park.

The Festivals in 1989 and 1992 were brilliantly successful, attracting nearly a million visitors at each event. The 1995 Festival will run for four days from 11th - 14th May.

The Festival is recognised as providing a unique opportunity to promote British food, agriculture, horticulture, tourism and the countryside, and all the industries related to the rural economy, in the unmatched setting of Hyde Park, adjacent to Marble Arch and Park Lane. The Festival enjoys the full support of the Ministry of Agriculture, Fisheries & Food, the Royal Agricultural Society of England, the Department of National Heritage and, of course, major organisations in the industry.

The Festival is an entertaining and informative event for the general public, with a proven track record. Sponsors can obtain the very highest profile both on the site and through extensive press, television and radio coverage.

To express your company's interest and to find out more please contact:

British Food & Farming Limited

Tel: 0483 428326 Fax: 0483 424566

GET A FIXED RATE FOR YOUR SAVINGS

up to

5.75% pa = 6.45% COMPOUND INTEREST*

If you can deposit £10,000 or more and are looking for a guaranteed return on your money you can now take advantage of the attractive rates paid by Lombard for longer term investments.

£10,000 – £24,999		
TERM	GROSS % PA	COMPOUND INTEREST*
5 years	5.75	6.45
4 years	5.50	5.97
3 years	5.125	5.39
2 years	4.75	4.86

For further information and an application form simply fill in the coupon and send it to Lombard or call us anytime on 071 409 3434 quoting reference 1469 or Fax us on 071 629 3739.

Lombard

DEPOSIT ACCOUNTS

NAME (Mr. Mrs. Miss Ms) ____

ADDRESS ____

Registered in England No. 337004

Registered Office: Lombard House, 3 Princess Way, Redhill, Surrey RH1 1NP England

WHO'S WHO 1994

£88

available now

A & C BLACK

The Financial Times plans to publish a Survey on

U.S. Communications

America's Communications Revolution

on Monday, February 7.

The U.S. Communications industry is currently the largest and most advanced in the world. The changes happening now will have implications for the entire world. This survey will therefore be essential reading for key decision makers in over 160 countries worldwide.

To advertise in this survey, call:

ANTONY CARBONARI or MELANIE BURTON in New York on Tel: 212 752 4500 or Fax: 212 319 0704

ALICIA ANDREWS in London on Tel: 071 873 3565 or Fax: 071 873 3062

FT Surveys

Tunnel train drivers to get 30% rise

By Robert Taylor, Labour Correspondent

Britain's train drivers operating both freight and passenger services through the Channel tunnel from this summer are to receive pay rises of around 30 per cent.

Their average annual salaries will rise to £25,000 under flexible collective agreements based on performance related pay reached with BR's subsidiaries, Railfreight, and the European Passenger Services. Drivers' basic pay will be £20,900 a year.

The rail drivers' union ASLEF hopes these will set the pace for similar deals with the new train operating companies after privatisation begins on April 1.

The drivers will be moving an estimated 30m passengers and 15m tons of freight a year through the tunnel in 18 coach-long trains. As many as 40 trains an hour will use the tunnel rising to a maximum of 60.

"We are going to negotiate the best deals we can for our members and ensure their terms and conditions are protected", said Mr Lew Adams, the new general secretary of Aslef the train drivers union yesterday.

Under the Channel tunnel agreements the drivers involved will have to speak some French and operate three different rule books. More than 600 from all over Britain have applied for the drivers' jobs which will be the best paid in the industry – and better than their French colleagues.

In return for substantially higher earnings as well as salary status with more generous sick pay and holidays than others, the drivers will have to carry out their jobs more flexibly with no restrictive practices or overtime.

Their working hours are to be calculated on an annual, not a weekly basis, to fit into new working patterns.

"Although we are still opposed to privatising British Rail, we have no alternative but to meet the new owners and managers of the train operating companies. They will seek to maximise their position but this must not be done to the detriment of our conditions", said Mr Adams

But Aslef will not block internal change. Traditionally known for its obstructiveness, the union under Mr Adams is in the mood to co-operate with innovation in return for higher pay.

● Most rail travellers who use discounted tickets could find themselves paying far more for their journeys or missing their most convenient train if present plans for discount rail fares after privatisation are carried through.

The government promise that tickets bought from one rail company can be used on the trains of competing companies were described "a bit of a con" by a senior British Rail executive in a leaked document revealed yesterday.

The companies which take over BR's operations will not be obliged to accept discounted tickets issued by other companies, Transport 2000, the lobby group, said.

Britain in brief

Labour sees security threat to airports

The opposition Labour party claimed that it had received leaked documents showing that ministers were planning to reduce airport security as part of their drive to relax regulations which are a burden to business.

Mr Frank Dobson, Labour's transport spokesman, said that he had received a Department of Trade and Industry document in which officials had criticised the effect on the aviation business of what was seen as an officious attitude amongst security staff.

Mr Dobson said the criticism was contained in a discussion document prepared by the Communications and Transport Deregulation Task Force, one of the committees set up by the DTI to further the government's deregulation drive.

In the document, officials also criticised the flight time limitations at UK airports, saying that they were more onerous than in the rest of the EC. They also argued that restrictions on aircraft night movements were "onerous."

DTI officials said yesterday that the results of the task forces' reports would be published shortly, "and will show as ridiculous these and other scare-mongering stories."

Manchester sets airport record

A record 13.4m passengers used Manchester Airport last year, an increase of 7.6 per cent over 1992. The biggest rise – 12.1 per cent – was in international scheduled passengers, of whom more than 3.25m used the airport.

Manchester opened its £265m Terminal 2 in March, giving it a 17m-passengers annual capacity, and wants to build a second runway to increase its throughput to about 30m early next century.

Readers of Executive Travel, a trade magazine for frequent flyers, have voted Manchester Airport the best regional airport in the world for 1993.

Powers for oil companies

Oil companies will have greater power to restrict what other products petrol retailers can sell, Mr Neil Hamilton, the corporate affairs minister said.

He is releasing oil companies from commitments which they made following an earlier monopoly inquiry to refrain from limiting other brands of lubricants, paraffin, anti-freeze and other non-oil products.

The commitments were made by Shell, BP, Esso, Mobil and Texaco in 1965.

However he added that the Director General of Fair Trading would continue to monitor the petrol market and he expects to conduct a further formal review of competition in the market in 1997."

Vehicle sector confident on '94

The UK commercial vehicle industry is entering 1994 increasingly confident that recovery from its steepest post-war recession is well under way.

This is despite statistics showing a further market drop last year to one of the lowest levels since records began. Industry leaders say that the 2.5 per cent fall in total new commercial vehicle registrations last year, to 197,067 from 201,186, disguises strong second-half growth led by the heavy trucks sector. Recovery in the vans sector, however, remains hesitant.

Wella unit to close

Wella, the German personal products group, is to close the manufacturing plant of its Ondawel subsidiary at Pontyclun, near Cardiff, with the loss of 150 jobs.

Ondawel, which makes hair cosmetics, has been manufacturing in Wales since before the Second World War. Wella said the closure, by the end of this year, was part of a rationalisation of its European plants.

In north Wales, Warwick International, a subsidiary of Sequa of the US, is to invest £7.8m in expanding its plant at Mostyn, Clwyd, with the creation of 60 jobs. It makes additives for domestic detergents.

US-UK venture to run prison

A fourth company entered Britain's expanding prison services market yesterday when Premier Prison Services (PPS) was awarded the contract to manage the new Doncaster jail.

PPS is a joint venture between Serco, a British facilities management company, and Wackenhut Corrections Corporation, a US private prison operator and part of the Wackenhut security group.

Doncaster, the first new city centre prison built this century, will open by July and PPS's five year management contract is worth £66m.

'No change' in rates as number of jobless falls

By Philip Coggan, Economics Correspondent

The UK's steadily improving economic outlook received a further boost yesterday with news that unemployment in December fell below 10 per cent of the workforce for the first time since July 1992.

But the greater than expected fall was coupled with comments from Mr Anthony Nelson, economic secretary to the Treasury, that there would be "no change for the time being in interest rates".

This triggered a sharp rise in sterling and a steep fall in equity prices.

The pound rose over 1¼ pfennigs against the D-mark, bursting through the DM2.60 barrier, to close in London at DM2.6072, and added a cent against the US dollar, finishing at $1.5013. Fading hopes of an early base rate cut from their present level of 5.5% along with falls in worldwide equity markets, depressed the London stock market with the FT-SE 100 index, closing 41.8 points down at 3372.

Seasonally adjusted unemployment fell 46,800 to 2,766,000 in December, or 9.8 per cent of the workforce. November's decline was also revised upwards by 3,000 to 39,000.

Unemployment has now declined for four consecutive months, and has dropped by 226,000 since it peaked in January 1993. On an unadjusted basis, December's unemployment total rose 13,000 to 2,783,000.

The buoyant employment picture was confirmed by figures for unfilled vacancies at job centres, up 4,500 to 145,400 in December. Mr David Hunt, the Secretary of State for Employment, described the figures as "excellent", and said the downward trend in unemployment was now firmly established, although he felt the overall total was still "unacceptably high".

The only weak point in the jobs figures was the manufacturing sector, where employment fell by 7,000 in December and the amount of overtime worked dropped to 8.11m hours per week, the lowest figure since record started to be kept in 1976.

The employment figures were the latest in a series of encouraging economic statistics to be discussed at the monthly monetary meeting held yesterday between Mr Kenneth Clarke, chancellor of the exchequer and Mr Eddie George, governor of the Bank of England.

The Treasury's monthly monetary report, published yesterday for the meeting, pointed to subdued inflationary pressures and this view was confirmed by statistics showing a 3 per cent annual increase in average earnings in November, unchanged from the October rise and a 25 year low.

Before the New Year, speculation was intense that the government would cut base rates half a percentage point to 5 per cent in early January. Some analysts are concerned about the potential effect on consumer demand of the scheduled April tax increases, and a base rate cut might offset the tax impact.

Howe attacks Scott Iraq probe

By Jimmy Burns and David Owen

The validity of the Scott arms-for-Iraq inquiry was brought into question yesterday with a spirited public attack on it by Lord Howe, the former foreign secretary.

Appearing as a witness, Lord Howe delivered a statement criticising the conduct of the inquiry, and issuing a veiled threat that Lord Justice Scott's eventual recommendations would be considered invalid by officials and ministers.

Downing Street emphasised that Lord Howe was speaking for himself and not the government. It was up to Lord Justice Scott to decide on procedures once the decision on the form of the inquiry had been taken.

But Lord Howe insisted that he had consulted with officials and ministers who he claimed supported his stand. It also emerged last night that his views are shared by senior foreign office and Downing Street officials.

It is not clear whether Lord Howe's attack will undermine the conclusions of the inquiry. But Mr John Smith, the Labour leader, called on Mr John Major, the prime minister, to make an immediate statement re-affirming his confidence in Lord Justice Scott.

Mr Smith said Lord Howe's attack was a "deliberate and clearly premeditated attempt" to undermine the findings of the inquiry "only four days before the prime minister is due to give evidence."

Earlier Lord Howe had said the Scott inquiry had not fully complied with the the "cardinal principles" for conducting a public inquiry in a fair way.

"Many of those who are looking at these proceedings from outside, are bound to be less enthusiastic to accept conclusions in so far as the cardinal principles have not been complied with," he said.

Lord Justice Scott defended himself against Lord Howe's criticism, insisting that no official or minister had complained to the inquiry and that he counted on the full support of the government.

In a statement read out by the secretary to the inquiry Mr Christopher Muttukumaru, the judge said the inmuqiry's procedures were "established with a view to ensuring its efficient conduct while paying full regard to the need to safeguard the interests of individuals."

At Westminster opinion was mixed on whether Lord Howe's remarks constituted a criticism of the format the government had chosen for the inquiry, or an attempt to spare ministers embarrassment by discrediting its findings.

Exchange names new chairman

The London Stock Exchange confirmed yesterday that Mr John Kemp-Welch, joint senior partner at stockbrokers Cazenove, will become chairman as of July 14, writes Norma Cohen.

Mr Kemp-Welch, 57, will retire from Cazenove at the end of April. In addition to his role at Cazenove, he has been a non-executive director of the Stock Exchange and of several other companies including Savoy Hotel Plc. He succeeds Sir Andrew Hugh Smith who will serve until July.

Mr Kemp-Welch will become part of the new senior management team with Mr Michael Lawrence, finance director at Prudential, who becomes chief executive on February 1.

The Stock Exchange, which has existed as the City's central marketplace, is now facing potential competition from companies such as Tradepoint, and Reuters Instinet. They are subject to less rigorous regulatory requirements.

"The Stock Exchange has no divine right to exist," Mr Kemp-Welch said. "It will only be dominant if it is efficient and cost effective." He said that the London Stock Exchange has much to learn from NASDAQ, which has become the world's second most active stock exchange.

Ship of state buffeted by waves of scandal

Philip Stephens considers the pressure building on the prime minister as he tries to reassert authority

Midsummer madness in January. That was the most optimistic gloss one minister could put on the latest furore buffeting Mr John Major. Back to the bad old days, was a more realistic assessment of a colleague.

The odds are that if the government keeps its nerve, the present storm eventually will blow itself out. But it will rage for a few days yet.

The district auditor's report due later today on the activities of Westminster's Tory council will reinforce the impression that the Conservative party is frequently indifferent to the traditional values it is now preaching.

Lord Howe's appearance yesterday and Mr Major's evidence to the Scott enquiry next week will refocus media attention on Whitehall's less than honest handling of arms sales to Iraq.

The tabloid press is determined to keep up the pressure on those ministers and Tory MPs who, like the rest of us, have the odd skeleton in the cupboard. The prime minister may insist he is not in the business of witch hunts. But witch hunts sell newspapers.

However absurd have been some (but not all) of the revelations of the past few days, few in the government doubt the cumulative damage inflicted on the prime minister. Downing Street has exercised little or no control over events. No-one, it seems, knows how to run a damage-limitation operation.

No-one, it seems, knows how to run damage limitation operations

So even in the minds of his friends Mr Major emerges once again as an irresolute leader, a victim rather than a master of events. The old cliché that the prime minister is "on probation" has resurfaced in the bars of Westminster.

But nor have his cabinet colleagues won any prizes.

Like the rent-a-quotes on the backbenches, ministers have clamoured for spots on radio and television to offer their personal and differing interpretations of what Mr Major means by Back to Basics.

And for all the prime minister's insistence that his campaign is about education, law and order and the economy rather than sexual behaviour, the friends of the moral majority have made the most noise.

But the buck, as Mr Major knows, stops at No 10. If his cabinet is undisciplined, it is the prime minister's job to restore order. He cannot ignore the need for his ministers to speak with one voice. Nor can he avoid a more detailed explanation of the moral dimension of Back to Basics.

That in itself should not be difficult. Cabinet ministers are at last using "line to take" notes to ensure that they say roughly the same thing when explaining the policy.

The note omits any detailed exposition of the stance ministers should adopt towards adultery. But it does not take much imagination to explain that distinguishing between right and wrong has a significance which stretches some way beyond the sexual behaviour of MPs. Mr Douglas Hurd is expected to do the job in his speech tomorrow.

Mr Major's problem though is one of credibility. Sections of the Conservative press have decided that whatever he does or says, he is not up to his present job. His enemies on the Tory backbenches speak of him with contempt. There is an air of resignation in the defences offered by his friends.

Major's enemies on the back benches speak of him with contempt

The opinion polls reinforce the gloom. Even before the latest furore the Conservatives' standing has been consistently below 30 per cent and Mr Major's own rating the worst of any post-war prime minister.

The fragile reawakening of self-confidence apparent in the closing weeks of 1993 has been stifled. Tax rises in April followed by dismal Tory performances in the local and European elections could turn unease into panic.

Some on the backbenches are already suggesting that if the government's share of the vote in those elections does not climb above 30 per cent then the prime minister must pack his bags.

Mr Major cannot be written off. The economy at last is on his side. That counts. If he can restore a grip, the appeal of Back to Basics might yet confound the cynicism of the metropolitan intelligentsia. He is a more resilient politician than his critics allow.

Most of the bookmakers think it is even money that Mr Major will lead the Conservatives into the next general election. One or two think the odds have shifted fractionally against him. As of now, most of his colleagues would not quarrel with that assessment.

MANAGEMENT: MARKETING AND ADVERTISING

Show your customers you care

Phone numbers on products not only deal with complaints, they can build brand loyalty, says Diane Summers

What happens when a damaging rumour about your product gains circulation? Van den Berghs discovered the answer when an entirely false story appeared on television, and then in a Jewish newspaper in the UK, that Flora, the spread, contained pig fat.

Concerned consumers had an immediate way of checking the story: a customer service telephone number, which had for some time been a standard feature on Flora packs and which meant the company was easily contactable. As calls flooded in, operators were able to reassure consumers that Flora is, indeed, pig-fat free. The telephone number was seen as an important factor in defusing the situation.

The Flora experience is recounted by Robert Leiderman, whose consultancy, the L&R group, guided Van den Berghs' implementation of its telephone service in 1990. It was an early example in the UK of what has become known as a "careline" – the slightly twee term used to describe telephone lines that offer consumers the chance to seek information, make suggestions or complain about products.

Telephone numbers on product packs, or at the point where services are delivered, are still relatively rare in the UK. By contrast, a recent L&R survey found that 83 per cent of branded goods carry a telephone number in the US, where carelines have been operating for some years. In France the figure is 30 per cent, in Germany 15 per cent, but in the UK just 8 per cent.

The benefits of a careline do not just become obvious in a crisis, or when dissatisfied customers need to let off steam, argues Leiderman. He sees direct telephone contact with consumers as a valuable marketing tool, building brand loyalty and boosting consumer confidence. The L&R survey found that manufacturers used the lines to build a customer profile and assemble a database of regular users, as well as gauging reaction to new products and collecting ideas.

Nor is application of the concept restricted to packaged goods. Burger King, the Grand Metropolitan hamburger chain, displays its careline number on posters in its restaurants, on receipts and on take-away bags. Comments from consumers have led to the introduction of a breakfast menu, non-fizzy drinks with children's meals, the continuation of a non-meat burger, and trials in the sale of merchandising such as sweatshirts and baseball caps.

Before Burger King's careline was introduced customer complaints were handled by letter in "a very laborious, ineffective and costly manner", Pauline Gallagher, the company's UK customer care manager, told a marketing conference organised by IBC Financial Focus in London recently. Complaints were not logged and ideas were lost. "Our customers were talking – giving us valuable information – but we were not listening," she said.

Burger King's careline has led to innovations such as a breakfast menu

Now, all information from calls is keyed into a computer and analysed. Problems with suppliers can be pinpointed – indeed suppliers pay a nominal amount towards the cost of dealing with calls where a quality problem has led to complaints. The careline would also provide an early warning system if the company was, for example, a victim of product tampering or poor hygiene in one of its restaurants.

John Gardner, managing director of VG, the UK chain of over 600 independent grocers, provides a rare example of a careline for own-label products.

For VG it is a way of inspiring trust and confidence in the company's own-label range, as well as providing a channel for customer feedback. Information from customers has helped in updating products by, for example, eliminating some food additives.

As Gardner points out, "carelines are not for the timid or faint-hearted", a point reinforced by the experiences of Coca-Cola & Schweppes Beverages, the joint venture between Cadbury-Schweppes and Coca-Cola formed in 1987.

Steve Harris, head of Coca-Cola & Schweppes Beverages' quality assurance in the UK, has seen the number of complaints from consumers double since 1992, when a careline number started appearing on products as part of a Total Quality programme. He is nevertheless philosophical: "We are making it easier for consumers to tell us if they are dissatisfied."

Operators at Coca-Cola & Schweppes, who received three months' training before the scheme started, take a total of about 5,000 calls a week on 10 telephone lines. About half of the calls are hoaxes or nuisance calls, many from children.

Harris also warns that careline providers "must be prepared for some very nasty calls. There are some weird people out there and if you are on the receiving end it can be very stressful". Counsellors are brought in from time to time to talk to the operators, says Harris.

Out of the genuine calls, 10 per cent are complaints and the rest are enquiries about, for example, ingredients and calories contained in products, or company facts and figures requested by school children or students doing projects.

Summarising the benefits, Harris says the service helps build brand loyalty, provides early warning of any product quality problem and could, in future, be used to track promotions and chart levels of customer satisfaction.

However, not all of those introducing carelines have thought out their strategies as thoroughly, and many are unable to evaluate the service they provide, warns Robert Leiderman.

L&R's survey found that declared objectives are not always carried through in the operation of the lines. For example, while half of the careline providers cited helping to build a database of regular users as a potential benefit of the service, less than 15 per cent of US carelines ask for the caller's name and address. In France the figure was 14 per cent, and none bother in Germany. In the UK it was substantially higher at 45 per cent.

Carelines only work if objectives are clear and evaluation procedures are laid down at the outset of the project. "Some manufacturers are taking to carelines as a 'follow the leader' reaction to what is happening in the marketplace. The danger is that companies will venture into carelines without the level of commitment required to make them work," says Leiderman.

Ford and GM's latest financial ventures may just be the first step, writes Steve Worthington

Car groups gamble on playing the right card

Last month's launch of the Ford Barclaycard was a direct response to the arrival of the GM Card from Vauxhall in October: both bear witness to the fiercely competitive nature of the world car market. Overcapacity is forcing manufacturers to concentrate on how to retain the loyalty of existing customers, while seeking to add whatever incremental sales they can.

The initiatives are of interest beyond the car industry not least because they offer contrasting perspectives on branding.

The Ford Barclaycard, for instance, brings together two of the best-known brands in the UK. Ford is the market leader for new cars and its share of the UK car registrations market was 21.7 per cent for the first 11 months of 1993. Similarly, Barclaycard is the market leader in the UK credit card market with some 8.9m cards on issue out of a total of 27m bank and building society credit cards in the country.

By contrast, the GM Card from Vauxhall, issued by HFC Bank, brings together two lesser-known brands, one indeed largely unfamiliar to UK consumers. General Motors' branding policy has run counter to Ford in that, outside the US, it has employed sub-brands reflecting its approach to different markets. Examples include Vauxhall in the UK, Opel in Germany and Holden in Australia. To build upon the success of the card in the US, while trading on the local brand, the GM Card from Vauxhall attempts to promote both brands, as well as laying the groundwork for future ventures such as perhaps a GM Card from Opel.

In the US, GM's card was issued by Household International, whose subsidiary in the UK is known as HFC Bank. In spite of its 150 personal banking centres HFC is not a well-known financial services brand, and hence most of the advertising has prominently featured the GM brand and played down HFC's involvement.

Of course, it could be argued that, in the GM and HFC case at least, both partners know who is calling the shots and whose brand will prevail, while for Ford and Barclaycard it is more a battle of the giants to see who gets top billing. It could yet end in tears.

For both cards, heavy promotional activity is essential. If they do not get their critical mass of cardholders in the first year, it is unlikely that they will do so subsequently. Switching between credit card issuers is not common among UK consumers, with most credit cards perceived as part of the package of financial services that individuals take from their primary account, be

that a bank or building society. With 27m cards on issue already and credit scoring procedures rigorous in the attempt to combat fraud, the UK credit card market is already pretty saturated.

The GM Card is available from mid-January and the Ford Barclaycard from April 1 1994. GM's target is thought to be at least half a million cards while the Ford Barclaycard is designed to add a quarter of a million cards to the existing portfolio.

Other car manufacturers – Audi, Peugeot Citroen and Rover, for instance – are unlikely to allow these card schemes to take business from them, and other goods and services suppliers may also enter the added-value credit card market. There is only room in the market for limited numbers of rebate-based credit cards, as the very fact that the rebates are based on usage encourages the cardholder to concentrate spending on one card only.

How, then, will those who choose not to enter this market (or who fail in their attempt) seek to compete with the rebates being built up by cardholders seemingly loyal to their chosen credit card sponsor? Will any of them be bold enough to follow the example of some of the grocery multiples such as Tesco and accept for redemption the coupons (rebates) offered by competitors?

In such a scenario, proof of rebate earned could be accepted in some proportion by a competitor and used as a spoiling tactic against those relying on card-based loyalty. Such tactics would, however, not necessarily invalidate the strategy behind the new added-value credit cards.

What GM and Ford are doing is coming to terms with the three Rs of survival in the 1990s: Retention of existing customers, Recruitment wherever possible of new customers, and Relationship-building with all customers. The new credit cards will aid retention and recruitment, but equally importantly they provide the means to circumvent the independent dealer network and hence build relationships between manufacturer and customer.

A credit card application is a perfect opportunity for the card sponsor to understand more about the potential customer, to understand more about each other. In addition, the car manufacturers will presumably want to go beyond selling their products to financing the sale and supplying insurance and warranty products.

In this way, not only are GM and Ford after the profitability that comes from a credit card, but they are seeking to gain ground from the more traditional financial institutions.

The author is professor of marketing of financial services at Staffordshire University Business School.

Free in the Financial Times.

A boardroom table.

On Thursday, January 20 the Financial Times furnishes you with some important information, the FT Survey of Europe's Top 500 Companies.

Ranking each organisation according to stock market value, it will provide an unrivalled opportunity to see how the great and the good fared in 1993.

This year, for the first time, the survey will also include lists of the top 100 US and Japanese businesses.

So you'll get at least three tables for the price of one FT.

FT Top 500 Survey.

FT. Because business is never black and white.

LEGAL NOTICES

Notice of Appointment

Company Number: 1725437. Name of Company: Financial Company for Supply Limited. Nature of Business: Importing and exporting barley and malt. Type of Liquidation: Members' voluntary liquidation. Address of Registered Office: 16 Lincoln's Inn Fields, London WC2A 3ED. Liquidators' Name and Address: Margaret Elizabeth Mills and David John Pallen, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Office Holder Nos: 5318 and 5317. Date of Appointment 24 December 1993. By whom appointed: Members.

Notice to Creditors

FINANCIAL COMPANY FOR SUPPLY LIMITED
(In Members' Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that the creditors of the above-named company are required, on or before the 24 February 1994 to send their names, addresses and particulars of their claims, including any claim in preference, to the undersigned, M E Mills or David John Pallen, Liquidators of Financial Company for Supply Limited, Becket House, 1 Lambeth Palace Road, London SE1 7EU or in default thereof they will be excluded from the benefit of any distribution made before any such claim is proved.

M E Mills
Joint Liquidator
24 December 1993

NOTE: This notice is purely formal. All known creditors have been, or will be, paid in full.

Notice of Meeting of Creditors

THE INSOLVENCY ACT 1986

ROBERT FRASER HOLDINGS LIMITED

NOTICE IS HERE GIVEN pursuant to Section 98 of the Insolvency Act 1986, that a Meeting of Creditors of the above-named Company will be held at 1 Riding House Street, London W1A 3AS on Friday 14th January 1994 at 3.15pm, for the purposes mentioned in Sections 99 to 101 of the said Act.

A list of the names and addresses of the Company's creditors will be available for inspection free of charge at No 1 Riding House Street, London, W1A 3AS between 10.00am and 4.00pm on Wednesday 12th January 1994 and Thursday 13th January 1994.

Creditors wishing to vote at the meeting must lodge a full statement of account and (unless attending in person) a proxy at No 1 Riding House Street, London, W1A 3AS no later than 12 noon on Thursday 13th January 1994. Secured creditors must, unless they surrender their security, give particulars of their security and its assessed value if they wish to vote at the Meeting.

BY ORDER OF THE BOARD

Signed
Director
5th January 1994

Notice of Appointment of Liquidator

Company Number: 1634314. Name of Company: Mayflower Brokers Limited. I David Lowe of Cooper Lancaster Brewers, Aldwych House, 81 Aldwych, London WC2B 4HP and 14 Wood Street, Bolton BL1 1DZ give notice that I was appointed Liquidator of the company on 5th January 1994.

The appointment was by the Members and Creditors.

Type of Liquidation: Creditors voluntary. Name of Liquidator: David Lowe. Office Holder Number: 5531

COMPANY NOTICES

SAVE & PROSPER FINANCIAL SECURITIES FUND

Coupon 145 falls due for payment on 15th January 1994 at a rate of [illegible] per Financial Securities Fund unit.

Coupons should be presented to Global Custody Services, The Royal Bank of Scotland plc, Corporate Trust Department, Regent's House, PO Box 348, 42 Islington High Street, LONDON N1 8XL, from whom listing forms can be obtained. Coupons must be lodged by an authorised depositary and left three days for examination.

PERSONAL

PUBLIC SPEAKING Training and speech-writing by award winning speaker. First lesson free. Tel: (0727) 861133

LEGAL NOTICES

In the High Court of Justice
Chancery Division No. 0010528 of 1993

IN THE MATTER OF
CIVIL AND MARINE SLAG CEMENT LIMITED
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on 1st December 1993 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account of the above-named Company from £12,550,290 to £6,279,171.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 26th day of January 1994.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

DATED this 21st day of December 1993
Lovell White Durrant
65 Holborn Viaduct
London
EC1A 2DY
Solicitors for the above-named Company

Notice of appointment of Administrative Receiver

EUROPA DOORS LIMITED

Registered number 2525862. Trading name: Europa Doors Limited. Nature of business: Door Manufacturer. Trade classification 49. Date of appointment of administrative receiver(s): 4 January 1994. Name of person appointing the administrative receiver(s): Barclays Bank plc. Joint Administrative Receivers: I M Iredale, S P Holgate. (office holder Nos 2104, 7991) Address: Coopers & Lybrand, 9 Greyfriars Road, Reading, Berkshire RG1 1JG

Notice of appointment of Administrative Receiver

A T Vincent & Son Limited

Registered number 365803. Nature of business: General Builders. Trade classification: 23. Date of appointment of Administrative Receivers: 5 January 1994. Name of person appointing the Administrative Receivers: Midland Bank plc. Joint Administrative Receivers: E M Shires (office holder number 7125) N J Vaughan (office holder number 6329) Address: Coopers & Lybrand, PO Box 262, Orchard House, 10 Albion Place, Maidstone Kent ME14 5DZ

FOSTER DAVIS CONTRACTORS LIMITED

Registered number 1808178
Nature of business: Builders and Building Contractors
Trade classification 23
Date of appointment of administrative receiver 6 January 1994
Name of person appointing the administrative receiver: Dunstorn Limited
SURJIT KUMAR SINGLA
Administrative Receiver
(office holder no 2851) of
49 Queen Victoria Street, London EC4N 4SA

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact

Karl Loynton on 071 873 4780

or

Melanie Miles 071 873 3308

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

CONTRACTS & TENDERS

Manchester Airport

MANCHESTER AIRPORT PLC

SPECIALIST RETAIL CONCESSIONS

Manchester Airport Plc invites interested parties to apply for tender documents for the operation of a retail unit situated in the Terminal 2 Public Concourse at Manchester Airport.

Applicants must specialise in one or more of the following areas:-

Gifts/Cards
Sportswear
Toys/Games
Clothing (male and female)
Natural beauty products
Sunglasses specialist

There are two units of approximately 350 sq ft or one unit of 700 sq ft.

It is anticipated that the contracts will commence on 1st April 1994.

Companies wishing to be considered for inclusion on a select list of tenderers, should apply as detailed, providing the following information:-

1) Copies of the last two years audited accounts
2) Company brochure/profile
3) Bankers name and address
4) Names and addresses of two referees

Applications should be made to the Administration Manager, Manchester Airport Plc., Manchester M90 1QX by Friday 21st January 1994.

Sponsorship : Cutting through Confusion

THE SIXTH NATIONAL SPONSORSHIP CONFERENCE

Organised by BDS Sponsorship Ltd
Monday 7th and Tuesday 8th February 1994
The London Metropole Hotel

As sponsorship becomes a more and more vital element in the marketing mix, it is increasingly difficult to define its exact role.

This conference seeks to cut through the confusion to identify exactly what sponsorship can achieve... and what it can't.

Highlights include speakers from :

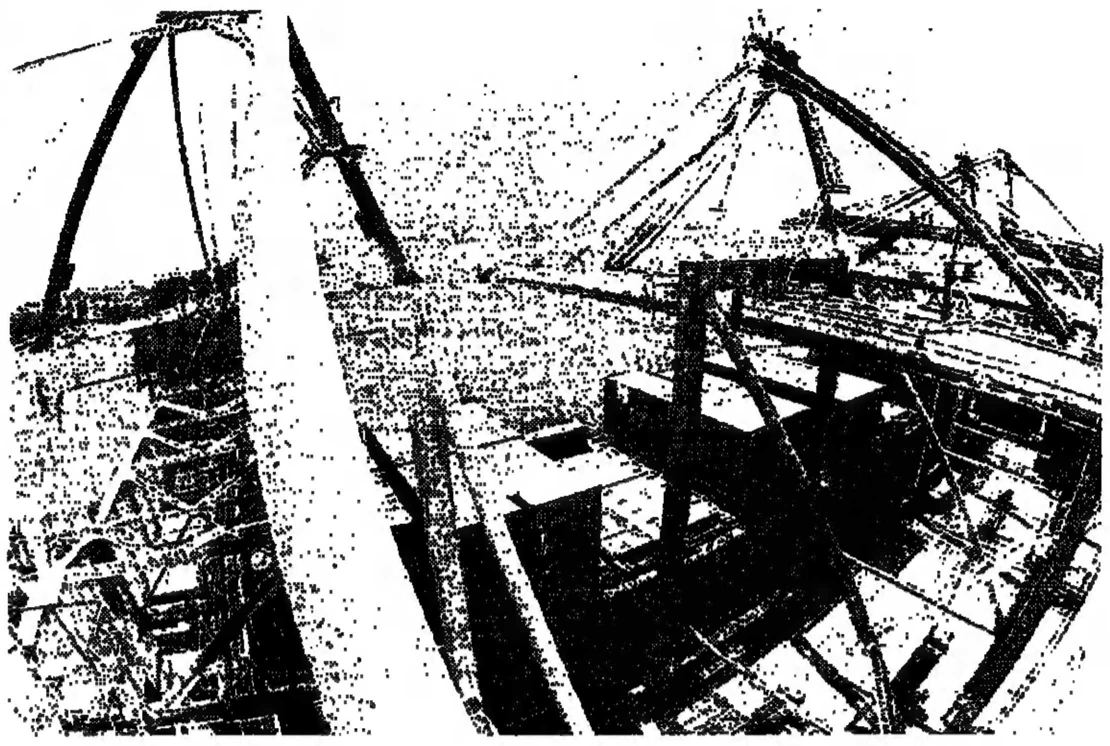
General Accident, Intel, Coca-Cola, Northern Electric, DHL International, Mercury Communications, Bass Brewers and The Observer.

A few places at this authoritative event still remain - for details, call Jo Barker at BDS Sponsorship on 071 379 1666.

TECHNOLOGY

One of the world's busiest container ports is a pioneer in its use of computers, writes **Kieran Cooke**

Singapore finds quay to success



Glyn Genin

Singapore port serves as a regional hub, with feeder services sending goods from Indonesia, India or Thailand

On the dock lie 60,000 containers, stacked five high. In one of them is a batch of bicycles en route from Taiwan to Finland. It needs to be found, loaded on to a truck, taken to a quayside crane and put in a designated place in the hold of a particular vessel, one among dozens in the port. All this must happen in minutes.

Handling cargoes at Singapore, which rivals Hong Kong as the world's busiest container port, is as complex as managing flights at an international airport. A vessel arrives at and departs from the port on average every three minutes. At any one time, 700 ships are in port.

The port is a pioneer in using technology in virtually every aspect of its operations. More than 200 computer and wireless transmission systems monitor traffic, designate berths and loading and unloading times, deal with customs and paperwork, and book bunkering fuel.

"If we hadn't developed our technology then Singapore would no longer be competing as a major port," says Eric Lui, deputy director of information systems at the Port of Singapore Authority (PSA), the government body that runs the port. "Technology is vital to combat our land and labour shortage problems, to keep down costs and, most importantly, to improve port efficiency."

Recently, the PSA has been concentrating its technological efforts on a computer system that plans and directs all of the port's container-handling operations.

The computer integrated terminal operations system (Citos) controls container movement from the freight forwarding agent to the hold of the ship. First, the agent keys into a computer system called Portnet, which gives sailing times of vessels, length of delivery and space available. Then, the agent keys in container contents, weight of goods and the ship required.

Using another system called Tradenet the agent can obtain electronic customs approvals and clear other official documents. Through Citos, the agent is given a time to deliver the container to the port.

About 6,000 trucks – known in port language as "prime movers" – enter or leave Singapore port every 24 hours. The gates are fully automated. The PSA says the average clearance time is 45 seconds.

"We give the agents transponders, which are fitted to the top of the containers," says Lui. "The transponders are used to register arrival at the gate and transmit messages to a central computer. Cameras at the gates read the container numbers, the driver flashes his ID against a magnetic screen and at the same time the container is weighed."

In less than a minute, the driver receives a computer readout detailing where he should wait for a crane to unload his container. At the same time, the central computer is flashing messages to display screens watched by crane operators and dockside prime mover drivers, telling them where and when to pick up the container, which ship to load it on to, and in what sequence containers should be loaded.

Singapore is at the centre of the world's fastest-growing economic region, and container traffic through the port is expanding by about 20 per cent each year.

Twenty years ago, Singapore was handling 130,000 TEUs (twenty foot equivalent units – the standard container measure) every year. In 1992, it handled 7.56m TEUs; the figure for 1993 is estimated at nearly 9m TEUs, with a further rise forecast to 15m TEUs by the turn of the century when the first phase of a port expansion plan is completed.

The port serves as a regional hub, with feeder services sending goods from Indonesia, India or Thailand for loading onto bigger "mother ships". An estimated 70 per cent of the port's traffic is based on such transshipment activities.

The PSA claims that technology gives it the edge in many areas. Singapore can have vessels in and out of port more quickly than elsewhere, and officials say the port can turn around a ship carrying 1,000 TEUs in less than 12 hours.

Singapore's technology also brings cost advantages, says Lui. "Because of our serious labour shortage problems, the cost of workers in Singapore is considerably higher than in Hong Kong, which can draw on a plentiful labour supply from China. Yet through using technology, we calculate that the costs to the port user here are half those in Hong Kong."

In spite of the big expansion in port traffic, the PSA has been reducing its workforce and now has about 2,300 employed in port handling activities. Lui says Hong Kong has about 6,000 workers – partly because it has separate terminals and is not one unified port.

The PSA does face problems. Other ports in the region, such as Malaysia, have big ambitions and can offer a cheaper service to shippers. Lui also admits that technology cannot cope with everything: experts are still wrestling with how to make full use of spare capacity on dockside prime movers.

Nevertheless, Singapore seems confident about its future. The government plans to partly privatise the port, probably this year.

Software scheme may mean final goodbye to Mr Chips

Andrew Adonis on plans for a 'community learning utility' taking multimedia into Britain's classrooms

Tell me and I forget
Teach me and I remember
Involve me and I learn

Benjamin Franklin's injunction was the tag for a lecture at the Royal Society of Arts in London last night on the prospects for a "community learning utility" taking multimedia into classrooms across the country.

The idea behind the scheme is simple: establish a national, not-for-profit utility with a bank of curriculum-related software, and deliver it to participating schools and colleges on a pay-as-you-use basis.

The scheme is the brainchild of Alan Benjamin, a former director of corporate communications at ICL, the UK computer company owned by Japan's Fujitsu, and a member of the board of the Docklands Development Corporation. He has monitored the birth of community learning utilities (Clus) in the US. Nine states now have a learning utility: the scope of their networks ranges from a handful of schools in some states to around 50 in Florida, Utah and Arizona.

Utah's utility dates back to the late 1980s. Within schools, local area networks make it cheap to run programs from one "server": and free local telecom calls give classroom communication at no extra charge.

"The concept of the learning utility is first and foremost an idea about how to enrich and reconstruct education and empower educators," said Benjamin. "It is only secondly a technological system".

He said there were already 6,500 educational software programs in the UK, but "the updating and enhancement of software is better organised and less expensive to achieve at a central point than at many locations. The utility will also be a source of user support and trouble shooting".

A demonstration will take place in London at Southwark's South Bank Technopark in March, with software and personnel from the US utilities. Benjamin hopes it will prompt the establishment of the first community utility in the UK, possibly this summer.

The vision is of classrooms equipped with up to 30 workstations connected to a "classroom storage level device", which would be used by the teacher to put together appropriate material for lessons from the utility's resources. Transmission could be at off-peak hours to cut telecom costs, with lesson planning and research done in advance.

Who will pioneer the utilities, and how will they be financed? Benjamin believes the pioneering role would be ideal for training and enterprise councils, the local private-sector run bodies in England and Wales, which are keen to become more than deliverers of statutory government training programmes. "A Tec could provide the standards, some of the programmes, the training framework and some of the finance of the partnership."

Schools would have to find much of the funding from their budgets, taking advantage of their new financial autonomy.

Shortage of trained teachers is also a challenge. Benjamin envisages a new career for "educational technologists", with degree courses in the subject.

If Benjamin's Clus take off, Mr Chips and his blackboard could soon be museum pieces.

Alan Cane looks at a new low-cost printer that is easy to use

Citizen brings simple colour to the home computer market

Citizen, the Japanese watch and electronics equipment manufacturer, yesterday announced the first colour computer printer designed to be sold in volume through retail outlets to non-expert users.

The recommended UK retail price is £189, excluding VAT, but the street price is expected to be closer to £129.

Edward Huggins, Citizen Europe's marketing director, says it was impossible to produce an electromechanical printer at lower cost and make a satisfactory profit.

The printer, the Citizen ABC, is designed as a simple-to-use first machine for home users. It is based on 24-pin dot matrix technology, offers letter quality fonts and prints text and graphics in colour.

Its chief advantage, according to Huggins, is the ease with which it can be connected to a computer and set up for use by computing novices. Even low-cost printers today are targeted chiefly at the business market, and Huggins's words will strike a chord with anyone who has found themselves unscrewing parts of their newly-purchased printer to flip mysterious switches deep within its interior, or wrestling with printer driver software.

The ABC printer does away with control panels: instructions for assembling and connecting the equipment are supplied on a floppy disk that accompanies the machine and there are only three control buttons. Citizen says the average first-time user can be up and running within five minutes of opening the box.

The machine has been designed for retail sales and Citizen has developed a five-minute demonstration using CD-Rom to do away with the need for dedicated sales staff.

The company claims to be the European leader in dot matrix printers offering optional colour. The ABC is part of its strategy to dominate the low-price end of the market. It also aims to extend the life of dot matrix technology, which is fast giving way in business to laser jet and ink jet printing.

There is a limited amount of Marketing Opportunities available at the conference

FT

FINANCIAL TIMES CONFERENCES

CABLE AND SATELLITE BROADCASTING

London, 15 & 16 February 1994

This annual conference has become an important event in the broadcasting calendar and will discuss many crucial topics, for example:

★ International competition in media markets
★ Technical advances transforming the industry
★ The digital and compression revolution
★ The introduction of new entertainment channels

The panel include:

Mr Jon Davey
Independent Television Commission

Mr Michael Grade
Channel Four Television Corporation

Mr Adam Singer
Tele-Communications, Inc

Mr Leslie Hill
Central Independent Television plc

The Rt Hon The Lord Thomson of Monifieth KT, PC
Former Chairman
Independent Broadcasting Authority.

Mr Steve Maine
BT

Mr Robert Phillis
British Broadcasting Corporation

Dr John Forrest
National Transcommunications Limited

ARRANGED IN ASSOCIATION WITH NEW MEDIA MARKETS

CABLE & SATELLITE BROADCASTING

☐ Please send me conference details
☐ Please send me details about marketing opportunities
☐ Please send me details on New Media Markets

FT FINANCIAL TIMES CONFERENCES

Financial Times Conference Organisation
PO Box 3651, London SW12 8PH,
Tel: 081-673 9000 Fax: 081-673 1335

Name Mr/Mrs/Ms/Other ______
Position ______ Dept ______
Company/Organisation ______
Address ______
______
______ City ______
Post Code ______ Country ______
Tel ______ Tlx ______ Fax ______
Type of Business ______ IIA

PEOPLE

Alan Yarrow moves up at KB

Kleinwort Benson, the merchant bank which before Christmas failed to find an external candidate to head the bank and promoted two existing staff to the posts of joint chief executive of investment banking, has further complicated the management structure by moving Alan Yarrow (right) to become managing director of Kleinwort Benson Securities.

The task of Sir Nicholas Redmayne, one of the two chief executives who was previously md of the securities side, is now "to look at the strategy side outside of the day-to-day developments, leaving a gap on the securities side into which I fit," says Yarrow, who at 42 is 13 years Redmayne's junior.

However, David Clementi, the other chief executive, remains head of the corporate finance department as well.

Yarrow contends that, despite the uncertainties over management direction last year, KB has made considerable strides in integrating its services to appeal to international clients, mustering "a lot of the strengths that we were too modest to shout about". He also acknowledges that "the [very buoyant] markets have bailed us out to some extent".

Yarrow joined Grieveson Grant in 1972, and was made a partner nine years later. In 1989 he became head of institutional sales at KB, which had acquired Grieveson in the mid 1980s, before being made head of global equity sales and distribution last year.

Finance moves

Peter Smith, chairman-elect of Coopers & Lybrand, the UK's largest accountancy firm, has co-opted two of his rivals in the November leadership race as part of his new management team.

Fresh from their defeat in the firm's first ever contested election, Adrian Lamb and Alan McFetrich join the seven-person team which will begin work under Smith on May 1. Lamb remains responsible for the operation of the firm's regions, while McFetrich takes on the job in charge of external affairs.

The other members of the management team are Geoff Green, Vic Luck, Anyas Morse, Pat Sherry and Peter Hazell, who takes responsibility for Smith's previous role for London operations.

Richard Stone, the fourth candidate for the Coopers' chair, will not be part of the team, but remains head of the firm's corporate finance practice.

Roger Davis, head of audit, accounting and advisory practice, is supported by an executive partner, Ed Smith. Vic Luck replaces Malcolm Coster as head of management consultancy. Peter Wyman becomes head of tax practice, with Paul Boorman as his executive partner in charge of internal matters in the practice area.

■ **Patrick Gifford**, formerly a director of Fleming Investment Management, has been appointed chief executive of FLEMING INVESTMENT TRUST MANAGEMENT, and will become chairman at the end of March when Lord Mark Fitzalan Howard reaches 60 and retires.

■ **Adrian Montague**, formerly a partner of Linklaters & Paines, has been appointed a director in KLEINWORT BENSON's corporate finance division.

■ **Mike McManus**, commercial director of BARCLAYS Card Services, has been appointed personal sector marketing director in succession to John Cheese.

■ **John Hughes**, formerly a director of Henderson Administration, has been appointed director of business services at INVESCO Europe.

Courtney to take the credit

Peter Courtney, former finance director of Rank Organisation and The Boots Company, has become non-executive chairman of Hull-based Cattle's Holdings, one of the few quoted financial companies to specialise in weekly home-collected credit.

Courtney, 61, takes over from Roy Waudby, 65, who has headed the company for more than a decade and was on the board when founder Joseph Cattle floated the company over 30 years ago.

Cattle's, like its bigger rival Provident Financial, has grown from being a Northern check trading business involving thousands of agents who collect weekly instalments from individual homes, into a consumer financial services company. Since it bought Compass Credit from Standard Chartered three years ago its shares have more than trebled and the company is now capitalised at £190m.

Cattle's chief executive Eddie Cran, 42, who joined the group at the time of the Compass acquisition, says he had wanted a non-executive chairman who was a finance man. Courtney says he was attracted by the enthusiasm of Cran whom he describes as "quite a performer".

Since resigning from Boots in April 1990, Courtney has spent a lot of his time helping sort out Throgmorton Trust, an investment trust which lost its way in the 1980s. He expects to go non-executive shortly.

Although Courtney, a Yorkshireman by birth, is rather coy about who put his name forward for the Cattle's job, he seems to have found favour with the Yorkshire business mafia. In June he was made non-executive chairman of the Bradford-based Yorkshire Building Society.

Non-executive directors

■ Trevor Harrison, 54, who spent 28 years with ICI, has been appointed a non-executive director of Croda International, the speciality chemicals group. Harrison, general manager of planning at ICI, played an important behind-the-scenes part in last year's demerger of ICI's bioscience business, Zeneca. Harrison had been expected to stay on with ICI but retired late last year following a cutback in the size of ICI's headquarters staff.

■ Alliance Resources, the North American-based oil and gas company, yesterday announced the appointment of William Kennedy, a Canadian citizen, as a non-executive director. The appointment follows the cancellation in September of a rights issue in Canada when it was discovered the offer had not complied with local security laws. In June, the company had launched a £2.8m placing and rights issue at 5p to fund expansion.

■ Sir Christopher Harding (above), 54, chairman of BET and former chairman of British Nuclear Fuels, is to be the new chairman of LEGAL AND GENERAL GROUP. He will succeed Professor Sir James Ball, who was 60 last July, and who will retire after the agm in May.

■ James Watson, chairman of NFC, at HENLYS GROUP.

■ Alan Watson, visiting professor in European Studies at Leuven University, chairman of the Royal Television Society, as chairman at BURSON-MARSTELLER UK.

■ Arthur Ewen, a director of NatWest Wood Mackenzie, at UNITED FRIENDLY GROUP.

■ Michael Hart, group md of ACT Group, at AAH.

■ David Newbigging, formerly chairman of NM UK, at FRIENDS PROVIDENT following its acquisition of NM Financial Management Group.

Cinema/Nig[illegible] Andrews

Dicing with destiny

What is history? For us living in the real world today, it is the sum of all our yesterdays: the force that shaped the past and made the ingredients for the present. But for those living in *movies* about the past, history is one long tragicomic irony. We the audience know – they on screen do not – the outcome of all those Great World Events being lived through.

This gives every historical movie a split personality. A film about the Battle of Waterloo is not just about the Battle of Waterloo. It is about us filmgoers looking down from Mount Hindsight on foolish old Wellington [illegible] Napoleon, [illegible] they throw [illegible] at [illegible] other in unaccountable ignorance [illegible] the well-known outcome. The man in the boots does not know that he will defeat the man in the funny hat, but we do. Result: diminution in dramatic tension, compensated for by the luxurious pleasures of omniscience.

In *Friends*, written and directed by first-time film-maker Elaine Proctor, 1980s South Africa is limbering up for black liberation. Though full of serendipitous life and insights, this is one of those films that has a historical destination to reach and lets us know it.

The three ex-university girls of the title – one black, two white – [illegible] split apart by political [illegible] Aninka (Michele Burgers), [illegible] working-class Afrikaner who weds an archaeologist, spends much of the movie digging up the back garden with her hubby, exposing symbolic layers of [illegible] history. Thoko (Dambisa Kente) [illegible] goodhearted Zulu: [illegible] walking [illegible] Black Is Beatific. And anti-apartheid terror-[illegible] Sophie (Kerry Fox) – mad, [illegible] and dangerous (but lovable) – [illegible] the land planting [illegible] in order to catalyse [illegible] future [illegible] the audience already know.

Even had we not read our newspapers, we could presage the one-nation solidarity-out-of-trauma ending from this film's opening shot. The women sit in a steam room in a symbolic feet-outwards triangle (or three-point star). Their lives [illegible] pointing in different ways, ah! but their heads and [illegible] so close. History will bring them together after a first, rite-of-passage parting of the ways.

For the [illegible] History In [illegible] Movies" lobby – of which I am an occasional member – [illegible] divergence process proves more enjoyable than the obligatory reunion

FRIENDS (15)
Elaine Proctor

THE NORTHERNERS (15)
Alex Van Warmerdam

UNDERCOVER BLUES (12)
Herbert Ross

PROVIDENCE (PG)
Alain Resnais

STRANGER THAN PARADISE (15)
Jim Jarmusch

[illegible] of [illegible] dawn. Kerry Fox, who riveted attention as the wacko grown-up heroine in *An Angel At My Table*, plays Sophie as if auditioning for a production of the *Marat/Sade*. Straggly blonde hair, blanched features, insomnia-shadowed eyes: this is the face of guilt and derangement with which terrorists must pay for their *felices cul*[illegible]

[illegible] her [illegible] courage, [illegible] gests the film, in fragmenting both her own personality and her friendship bond [illegible] Thoko and Aninka helps [illegible] the true healing process of the [illegible] No omelettes without broken eggs; no Utopias without broken laws.

The film is too programmatic and too contrivedly cross-sectional in its distribution of main roles; also, too ready to use Sophie-style scare tac[illegible] to [illegible] us into enlightenment. (The prison scenes [illegible] the old thump/wallop/bright lights stuff [illegible] know from a hundred *Cry Freedoms*). Nor does Elaine Proctor, a South African-born graduate [illegible] our own National Film School, know how to keep Thoko and Aninka's [illegible] nourished while Sophie runs off with the prime cuts of plot.

Yet *Friends* has life [illegible] in the midst of dramatic anorexia. The love-hate vitality Proctor puts into [illegible] energises her picture [illegible] South Africa as a land: all that sun-scorched rural beauty [illegible] by [illegible] with shellshocked [illegible] fragility. If [illegible] the first quality [illegible] young director should have – and it is – Miss Proctor's talents [illegible] well worth keeping under surveillance.

*

African history plays [illegible] nimbler [illegible] of hide-and-seek in [illegible] Dutch comedy *The Northerners*. The setting [illegible] surreal [illegible] village in Holland, all that survives [illegible] housing development floating in [illegible] plain. [illegible] then [illegible] spills into [illegible] nearby [illegible] where, inter *alia*, [illegible] (Leonard Lucieer) [illegible] about [illegible] black-face and leopard [illegible] pretending [illegible] Patrice Lumumba (the [illegible] runaway black (Dary Some) [illegible] out [illegible] escaping [illegible] a travelling Missionary Exhibition.

[illegible] setting [illegible] odd, [illegible] with knobs [illegible] Writer-director [illegible] Van [illegible] be spinning [illegible] fable about colonialism: [illegible] exactly, about Civilisation [illegible] Bush. [illegible] anarchic, savage, magical things happen: from [illegible] postman's daily campfire, heating the [illegible] with which [illegible] open [illegible] villagers' letters, to [illegible] lady in the lake, [illegible] mad huntsman [illegible] a corpse [illegible] ice.

[illegible] in the village, [illegible] polite-[illegible] hypocrisy [illegible] net-curtain voyeurism. The [illegible] man's burden [illegible] civilised Christian behaviour brings [illegible] everything from clandestine adultery (butcher with lady clients in [illegible] locker) [illegible] religious delirium (dying housewife [illegible] by a come-[illegible] statue) [illegible] priests with their phut-phutting, black-smoking carnival truck [illegible] taining [illegible] great missionary roadshow.

The film is [illegible] Jacques Tati comedy mixed up with bits of *Coro*-[illegible] one [illegible] action will [illegible] super-sitcom tableau [illegible] neighbours in shock: the beehive [illegible] styles lining [illegible] to [illegible] latest [illegible] Rape-[illegible] running out of [illegible] shop. At another moment, social comedy spirals into the balletic-surreal as a nymph and swain frolic underwater, or a vulture lands [illegible] deathbed, or [illegible] boy walks [illegible] village in [illegible] disguise, using [illegible] pal [illegible] stilts.

[illegible] won [illegible] Felix (or Euro-Oscar) [illegible] Young European Film of [illegible] Year. [illegible] wit, verve and nerve lie in its refusal to explain itself. It could be an alle-[illegible] it could be [illegible] comedy of provincial [illegible] a hom-[illegible] Tati. Then again [illegible] all three, thrown into [illegible] Magimix [illegible] so fast, so deftly, that [illegible] left happily clutching at flavours [illegible] they fly past.

No such improving [illegible] cise [illegible] *Undercover* [illegible] Here the ingredients thrown [illegible] the blender [illegible] in [illegible] and churned to pulp before [illegible] reach reel two. Spy thriller, comedy, baby movie, New [illegible] travelogue...

[illegible] Turner and Dennis Quaid are Mr [illegible] Mrs Ex-CIA Spy-person, plus tiresome tot, and Herbert [illegible] (*Funny Lady*, *The* [illegible] *bye* [illegible] directs [illegible] fun-free shenanigans [illegible] which they become enmeshed. [illegible] include [illegible] Hispanic [illegible] (Stanley Tucci), a lisping policeman (Larry Miller), [illegible] eye-rolling Czech villainess (Fiona "RSC" Shaw), [illegible] subplot about super-weapons, a – [illegible] don't [illegible] away, I am sparing you the worst.

The [illegible] model for [illegible] rubbish was *The* [illegible] movies. [illegible] people cannot put that one [illegible] me: I [illegible] Thin Man movies. Instead of K. Turner, D. Quaid [illegible] underscripted infant, they [illegible] W. Powell, M. Loy [illegible] carefully scripted dog. And they [illegible] all-important ingredient – outstanding here by [illegible] absence – wit.

[illegible] there [illegible] always revival [illegible]. This week it offers Alain [illegible]nais's [illegible] (1977) and Jim Jarmusch's *Stranger Than Paradise* (1984). The [illegible] comedy of ill manners, cracklingly scripted by [illegible] Mercer. [illegible] John Gielgud and [illegible] Dirk Bogarde play father and son, putting their fingers in the mains socket of life and exchanging literate, high-voltage shrieks [illegible] the lawns of France. (Was this the [illegible] Euro-pudding?)

Jarmusch's film [illegible] in [illegible] downhill-ever-since [illegible]. Three loopy [illegible] persons, [illegible] from [illegible] York, [illegible] from Hungary, [illegible] the [illegible] seaboard looking for [illegible] and serenity but finding only the nearest American equivalents. [illegible] boredom; the poesy [illegible] banality; the time-space continuum [illegible] inner mind.

Rites of passage: from top, clockwise: Kerry Fox, Dambisa Kente [illegible] Michele Burgers in 'Friends'

Theatre/Malcolm Rutherford

Good value with 'January Sales'

The old art of revue has made a triumphant return to London's West End. Kit and the Widow's *January Sales* will remind anyone old enough to remember *Pieces of Eight* which starred Kenneth Williams and took off the old Tory slogan – Don't let Labour ruin it – in the late 1950s.

As a two-man show, Kit and the Widow also owes a lot to the Flanders and Swann style of *At the Drop of a Hat*. And here is the highest compliment of all: *January Sales* does not fall far short of *Beyond the Fringe*, which was the last major revue to appear in the London theatre, and that was in 1961.

By "revue" I mean topical political, social and musical satire with a touch of camp and nostalgia. *Beyond the Fringe* was a breakthrough because it poked fun at the then conventional wisdom. But if you look back, it seems pretty self-satisfied and conservative: very British and very Oxbridge.

January Sales has the same merits and defects. The political satire is relatively mild. It treats the present government with affectionate ridicule rather than contempt. There is a lot [illegible] undergraduate humour. [illegible] and Swann song has the refrain "Bottomley, Bottomley, Bottomley," after the health secretary. Schoolboy jokes come in with the Church of England getting its vicars in a twist and "minor canons going off all over the place" and science enters with a version of Noel Coward's old song as "A Womb with a View", including the latest developments on designer babies.

The sharpest political song [illegible] Coward. Kit [illegible] magnificently round the stage as Lady Thatcher cursing that she could have been so [illegible] about John Major – "so bad [illegible] the boy".

[illegible] harshest political [illegible] comes in the course of a song about the new Germany: "Stephen Sondheim – [illegible] may [illegible] Jewish, but his initials are great". The only [illegible] song [illegible] the show, unfortunately much applauded, attacked [illegible] French [illegible] wanting [illegible] Channel tunnel.

[illegible] applied [illegible] British. The [illegible] the [illegible] and her family [illegible] broadly on her [illegible]. John Major is [illegible] attacked directly and John Smith [illegible] Yet in [illegible] British kind of way [illegible] is effective. Poking fun [illegible] government can [illegible] much more devastating than ranting and raving.

[illegible] everything is politics. *January* [illegible] Sir Andrew Lloyd [illegible] – [illegible] playing [illegible] door – that you are ever likely to see, bringing out the derivative nature [illegible] his music. [illegible] Kit and [illegible] seem [illegible] such [illegible] people, [illegible] is kindly rather than cruelly done.

The revue is down to run for only three weeks. That is absurd. The Widow (Richard Sisson) is the thin one who plays [illegible] piano [illegible] is developing [illegible] good line in [illegible] jokes. [illegible] Hesketh-Harvey who [illegible] singing. Together they are [illegible] marvellous [illegible].

Vaudeville Theatre. (071) 836 9987

Alastair Muir

Kit and the Widow: top [illegible] the form

Another crack at the 'Nutcracker'

Ronald Crichton reviews John Neumeier's version of this difficult – albeit favourite – ballet at the Opéra Garnier, Paris

N[illegible] has been [illegible] problem [illegible] ever [illegible] premiere in St Petersburg 101 years ago. Almost [illegible] choreographer [illegible] note since Petipa's day has had a go and none has been 100 per [illegible]. Petipa himself fell ill and handed over to [illegible] – [illegible] to Petipa's Christopher [illegible] popularity [illegible] been [illegible] mainly to Tchaikovsky's music. [illegible] has always [illegible] the scenario, drawn from [illegible] by Hoffmann with results inept, ill-structured [illegible] largely senseless.

For [illegible] end [illegible] year show, [illegible] Opéra Garnier presented for the [illegible] time in [illegible] John [illegible] version, under the old name *Casse-Noisette*. First seen at Frankfurt in 1971, this version makes a serious [illegible] put things right. The [illegible] part [illegible] best. The child Clara becomes the slightly [illegible] Marie, celebrating her 12th birthday [illegible] home with a party [illegible] her envied older [illegible] sister, Louise, has brought some of her friends from the theatre. Among [illegible] are young Günther, [illegible] whom Marie [illegible] a fancy, and [illegible] her ballet-master Drosselmeier.

There are children, but they are kept in the background. The main dancing [illegible] done by [illegible] teenagers [illegible] principals [illegible] a bunch [illegible] strapping [illegible] – chums of [illegible] brother Franz. All [illegible] is greatly [illegible] the advantage [illegible] the homely, [illegible] romps. Everything is clear. [illegible] does not feel like Ethel Smyth, lured [illegible] in the early days [illegible] *Casse-*[illegible] and overheard asking her companion, "what [illegible] they doing and why are they doing it?".

When Marie steals back after the guests have [illegible] retrieve [illegible] nutcracker [illegible] given, falls sleep [illegible] dream, things [illegible] not go so well. At this point in [illegible] score there begins a long, through-composed [illegible] embodying at [illegible] embryonic [illegible] symphonic poems, culminating in [illegible] impressionist Snowflakes [illegible] leaves out the battle [illegible] toy-soldier [illegible] mice (difficult [illegible] a [illegible] contrast). [illegible] marvellous [illegible] three-four section, richly harmonised and sumptuously scored, perfect evocation [illegible] child's mounting wonderment, [illegible] no longer a transition to the snow [illegible] but a pas-de-deux for Marie [illegible] Günther, [illegible] revealed [illegible] a principal dancer.

Neumeier then borrows an interlude from [illegible] *Sleeping Beauty* as another pas de deux – for Louise and Drosselmeier. [illegible] snow-forest, but an off-white [illegible] where Drosselmeier teaches while the music [illegible] snowily – [illegible] where [illegible] the off-stage chorus?

Alexandre Benois (who at [illegible] his career designed [illegible] much-liked *Nutcracker* for Festival Ballet) [illegible] Petersburg original staging as "hideous" in [illegible] diary. [illegible] surviving photographs bear him out. The final scene in the Land of Sweets is a designer-trap. What [illegible] be more visually unappetising than enlarged confectionery? Jürgen Rose, who has adapted his designs [illegible] the Opéra stage, avoids the trap with [illegible] handsome but restrained baroque-style background.

The famous character [illegible] performed [illegible] it are perfect examples of [illegible]kovsky [illegible] melodist [illegible] colourist: no-one except Bizet and, [illegible] a [illegible] extent, Delibes could approach him here. Neu[illegible] treats them as vignettes based [illegible] of long-forgotten Petipa [illegible] – a little solemn and, in the Chinese Dance [illegible] much admired by Stravinsky, a little slow.

[illegible] des Fleurs is played [illegible] the divertissement, which brings it too [illegible] waltz scene. As for the [illegible] Deux, [illegible] ultimate expression in music and movement of [illegible] turned-out upward-thrusting, imperious classical style, it [illegible] from there being [illegible] many pas-de-deux in a ballet where [illegible] usually [illegible] there [illegible] too few. Marie, coyly simpering like Mother Simone in *La Fille* [illegible] *gardée*, is persuaded to [illegible] celesta variation while Louise [illegible] given an extra solo from *The Sleeping Beauty*. [illegible] the whole, climactic sequence be danced exultantly in [illegible] presence of [illegible] here for [illegible] Marie and Drosselmeier?

The performance by the soloists – when I [illegible] them, Elisabeth Maurin (Marie), Elis-[illegible] Platel (Louise), Patrick Dupond (Drosselmeier), [illegible] Legris (Günther) – and by [illegible] corps [illegible] admirable. The music with [illegible] Dorlington conducting the Orchestre Symphonique Français, [illegible] given full justice. For once the first-[illegible] played with as much care [illegible] better-known [illegible] in [illegible] second. The sound had a warmth and clarity which [illegible] joy [illegible] hear.

[illegible] series [illegible] performances from January [illegible] 28

INTERNATIONAL ARTS GUIDE

ATHENS

Megaron Tonight: Ivan Fischer conducts Budapest Festival Orchestra in Duke Bluebeard's Castle and extracts from Lohengrin. Tomorrow, Sat: Fischer conducts Bartok's Miraculous Mandarin (Hyson Mime Group) and Mahler's Das Lied von der Erde. Jan 24: Nana Mouskouri (01-728 2333/ 01-722 5511)

BARCELONA

Palau de la Musica Vaclav Neumann conducts Czech Philharmonic Orchestra in Bruckner's Ninth Symphony on Sun evening (268 1000)
Gran Teatre del Liceu Hindemith's Mathis der Maler opens next Thurs for a run of six performances. Kathleen Kuhlmann gives a song recital on Jan 28, followed by Olga Borodina on Feb 3 (tel 412 3532 fax 412 1198)

BOLOGNA

Teatro Communale Tonight, Sun afternoon, [illegible] Tues, [illegible] Thurs, [illegible] Roberto [illegible] production of L'Italiana in Algeri, with [illegible] di [illegible] and Sonia [illegible] alternating as Isabella. Sat: Rockwell Blake sings Italian opera arias. Mon: Tchaikovsky Trio plays piano [illegible] by Mozart, [illegible] and Tchaikovsky (Biglietteria, Ente [illegible] Teatro Communale di Bologna, Largo Respighi 1, 40126 Bologna. No telephone bookings accepted. For information, call 051-529999)

FLORENCE

Claudio Abbado conducts Chamber Orchestra of Europe on Jan 20 at [illegible] Pergola. [illegible] Il barbiere di Siviglia opens at Teatro Verdi on Jan 23 for five performances, followed by Rossini's version on Feb 3 (055-277 9236)

GENOA

Teatro Carlo Felice Tonight: [illegible] Oren [illegible] first of nine performances of Fabio Sparvoli's Naples production of Nabucco, starring Ghena Dimitrova and [illegible] Nucci (010-589329)

LONDON

THEATRE

● An Absolute Turkey: Felicity Kendall and Griff Rhys Jones in Peter Hall Company's new production of Feydeau's [illegible] (Globe 071-494 5067)

● Unfinished Business: Michael Hastings' new [illegible] is directed by Stephen Pimlott [illegible]. Now in previews, opens [illegible] (The Pit [illegible])

● [illegible] Shakespeare's [illegible] king in an [illegible] production [illegible] by [illegible] Noble (Barbican 071-638 [illegible])

● [illegible] Rigg's performance in [illegible] Euripides tragedy won [illegible] Evening [illegible] of [illegible] Year [illegible] when [illegible] production [illegible] appeared [illegible] Almeida (Wyndham's 071-867 1116)

● The [illegible] Ian McDiarmid plays Arnolphe in one [illegible] finest, [illegible] affecting plays. Till Jan 22 (Almeida [illegible] 4404)

● The [illegible] of War: John Thaw [illegible] in David [illegible] new play [illegible] the Labour Party, in repertory with The Wind in the Willows, Alan [illegible] stage adaptation of Kenneth Grahame's magical animal [illegible] (National [illegible])

● [illegible] directs one of [illegible] great modern musicals, [illegible] as Sally [illegible] and [illegible] Cummings as [illegible] at [illegible] Kit [illegible] (Donmar [illegible] 071-867 1150)

MUSIC/DANCE

Covent Garden This month's Royal Ballet repertory [illegible] of two [illegible] MacMillan productions - Romeo and Juliet (till Jan 25) and Mayerling (from Jan 28). The Royal Opera's production [illegible] is revived [illegible] Jan 21 with Denyce Graves, [illegible] Vaduva, Neil Shicoff and Barseg Tumanyan (071-240 1066)
Coliseum Ivor Bolton [illegible] revival [illegible] of Nicholas Hytner's production [illegible] Xerxes, starring Louise [illegible] and Yvonne Kenny (in repertory till Feb 24). ENO repertory [illegible] Pountney's [illegible] production [illegible] Two [illegible] with [illegible] McLaughlin and [illegible] Owens (till Jan [illegible] and [illegible] Vivian Tierney [illegible] Rosalinda (071-836 3161)
South Bank Centre Ben [illegible] English National [illegible] production of The [illegible] runs daily except [illegible] till Jan 22 (071-928 8800)
Barbican Tomorrow: City [illegible] London Sinfonia presents Mozart programme. [illegible] Cleobury conducts RPO in [illegible] programme. Sun: tenor Edmund [illegible] sings Italian opera [illegible]. Mon: London Schools Symphony [illegible] plays Butterworth, Walton [illegible] Glazunov. Tues: [illegible] Singers of [illegible] World in concert. Jan 21-24: [illegible] music of John Tavener (071-638 8891)

MADRID

Auditorio Nacional de Musica Tonight: Lindsay Quartet plays [illegible] string quartets. Tomorrow, [illegible] and Sun: Jansug Kakhidze [illegible] Spanish National [illegible] in [illegible] by Denisov, [illegible] Mahler. [illegible] Tues: Spanish [illegible] Chorus in [illegible] of the Spanish baroque (01-337 0100)
Teatro Lirico La Zarzuela The next opera production is Der Freischütz, opening Jan [illegible] for a run [illegible] five performances (01-429 8225)

MILAN

Teatro alla Scala A new production of Prokofiev's The Fiery Angel, conducted by [illegible] Chailly and staged by [illegible] Cobelli, [illegible] tomorrow with [illegible] including Galina Gorchakova, Sergei Leiferkus and [illegible] Burchuladze (repeated Jan 16, 18, 20, [illegible], 26, 28). [illegible] Pollini gives [illegible] piano [illegible] Mon. The Nureyev production of Sleeping Beauty [illegible] on Jan 21 for 10 performances (02-7200 3744)

NAPLES

[illegible] delle Palme Tonight: Fone Quartet. [illegible] Thurs: [illegible] violin recital. Jan [illegible]: Hagen [illegible] (081-406011)
Teatro San [illegible] conducts first night [illegible] Sequi's [illegible] production of La [illegible], with [illegible] by Giusy Devinu, [illegible] La [illegible] and [illegible] Servile. Repeated Jan 18, 21, 23, [illegible] (081-797 2331)

PALERMO

Teatro Massimo Tonight, [illegible] Jan 19, [illegible], 25): [illegible] Gavazzeni [illegible] Fassini's production of [illegible] Devereux, with Denia Gavazzeni Mazzola [illegible] Ballo (091-6053 315)

PRAGUE

● [illegible] Golub gives a piano [illegible] next Tues at [illegible] Hall, followed by Stamic Quartet on Wed (02-286 0111). Douglas [illegible] Prague Symphony [illegible] and [illegible] on [illegible] in [illegible] Hall in [illegible] by Britten, Vaughan Williams [illegible] Holst (02-232 2501)

● [illegible] staged performances [illegible] tonight, tomorrow, Jan 19, 21, 25 [illegible] 26 (02-228658). [illegible] Theatre repertory [illegible] new productions [illegible] Dvorak's The Jacobin [illegible] Janacek's The Makropoulos [illegible] (02-205364)

ROME

Teatro Olimpico Tonight: Giuseppe Sinopoli conducts Accademia Filarmonica Romana in works by [illegible] and Schoenberg, with soprano June Card. Jan [illegible] (06-320 1752)
Gonfalone Tonight: Vinzenzo Bolognese and Barbara Vignanelli play [illegible] for violin and harpsichord by [illegible] and Bach (06-687 5952)
Teatro Valle Sat, Sun, Mon, Tues: Georges [illegible] conducts Orchestra [illegible] di Santa Cecilia in works by Saint-Saens and [illegible] (06-678 [illegible] 3794)
Universita La Sapienza Sat: [illegible] Chamber Orchestra plays [illegible] by Boccherini, Mozart [illegible] Bizet. Jan 22: [illegible] Quartet. Jan [illegible] Lynn Harrell (06-361 0051)
Teatro Il [illegible] Mon: [illegible] Accardo, accompanied by [illegible] Weissenberg, plays violin [illegible] by Schumann, Franck and [illegible] (06-5734 4664)

VENICE

Teatro La [illegible] Tonight, tomorrow: Oleg Caetani conducts Bartok's [illegible] Concerto (Reiner Schmidt) and [illegible] Symphony. The next opera production [illegible] Contes d'Hoffmann, opening [illegible] (041-521 0161)

ARTS GUIDE

Monday: Berlin, [illegible] York [illegible] Paris.
Tuesday: Austria, Belgium, [illegible] Chi-[illegible] Washington.
Wednesday: France, Germany, [illegible]
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

European Cable and Satellite Business TV

(Central European Time)

MONDAY [illegible] FRIDAY
Super Channel: European [illegible] Today 2230; repeated 0630, 0715
MONDAY
Super [illegible] FT Reports [illegible]
TUESDAY
Super Channel: [illegible]
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super [illegible] FT Reports [illegible]
THURSDAY
Super Channel: [illegible] 1230; FT Reports 2130
Euronews 0745, 1315, 1545, [illegible]
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
Super Channel: FT Reports 2230
[illegible] **News:** FT Reports 1730; 0430

Aspects of life where money doesn't talk

BOOK REVIEW

VALUE IN ETHICS AND ECONOMICS
By Elizabeth Anderson
Harvard University Press. £27.95/$41.95. 245 pages.

Capitalism has proved more efficient at generating wealth than Marxism [redacted] any other economic system. But debate [redacted] its ethical foundation [redacted] is not [redacted]. [redacted] contribution comes in this stimulating [redacted] from [redacted] beth Anderson, a philosopher at the University of Michigan.

Though not totally [redacted] to market economics, Anderson [redacted] anxious to combat what she sees [redacted] a tendency for [redacted] cial [redacted] invade areas [redacted] life where they do not belong. She [redacted] example, making money out of surrogate motherhood, cost-benefit analysis [redacted] the environment and privatisation of public [redacted] vices.

Commercialisation [redacted] degrade human beings by undermining their autonomy, according to Anderson. This happens when people sell things such as their freedom of action, perhaps via certain types of employment contracts, and their ability [redacted] reproduce. Putting [redacted] price on [redacted] aspects of life [redacted] also [redacted] people's capacity to enjoy a meaningful [redacted] by reducing all considerations of value [redacted] utility.

At [redacted] heart of Anderson's [redacted] an attack on [redacted] theory that people care only about [redacted] or pleasurable [redacted] themselves. This idea, known to generations of [redacted] nomics students as [redacted] of "utility maximisation", [redacted] the foundation upon which much classical economic [redacted] ory [redacted] built.

Anderson rejects [redacted] proposition [redacted] explanation of human behaviour. [redacted] a [redacted] complex theory, which acknowledges that people [redacted] things not simply because they [redacted] useful [redacted] pleasurable but for other [redacted] such as respect, love, admiration [redacted]

She argues [redacted] this pluralism in the [redacted] value things is [redacted] the [redacted] of life. [redacted] an object's utility is [redacted] only consideration, then [redacted] is [redacted] appropriate institution [redacted] valuing it – but not [redacted] such as respect [redacted] love come into play.

In fleshing out this thesis, Anderson distinguishes between things [redacted] can [redacted] properly traded and those which, she believes, should only [redacted] given. Examples of [redacted] latter category include children, trust, friendship [redacted] ual gratification. To buy and sell these, she [redacted] to [redacted] them. Equally, [redacted] treat the environment merely as an economic resource [redacted] ignore the [redacted] that nature is valuable even when it [redacted] no practical [redacted] to mankind.

Although Anderson's [redacted] hard [redacted] read because of its philosophical jargon, it [redacted] strengths. Her pluralistic theory [redacted] value provides [redacted] broader perspective on [redacted] limitations of the [redacted] than [redacted] traditional leftwing complaint that capitalism leads to an unfair distribution [redacted] fruits [redacted] economic activity. Her argu[redacted] commercialisation can rob human existence of much of [redacted] significance surely [redacted] merit.

The book's weaknesses [redacted] when Anderson [redacted] her [redacted] philosophy [redacted] public policy. Her preference is for the state to draw the boundary between what should [redacted] traded and what should not.

[redacted] opposed [redacted] the campaign begun [redacted] in [redacted] 1980s [redacted] roll [redacted] frontiers of [redacted] through privatisation. Instead of privatisation, Anderson [redacted] see greater involvement for community bodies, [redacted] local government and school boards, which she believes [redacted] people's needs [redacted] be determined through democratic debate. She thinks it [redacted] more impor[redacted] for citizens [redacted] exercise their voices collectively rather than [redacted] individuals picking and choosing suppliers of services. She [redacted] objects to ideas such as [redacted] vouchers on [redacted] grounds that they would undermine [redacted] community approach [redacted] schooling.

But such practical conclusions do not obviously follow from Anderson's philosophical analysis. Just because the market is not perfect does not mean that [redacted] state can remedy its defects.

For example, although people may be unwise [redacted] in practices such as prostitution, Anderson does not give convincing reasons why it should [redacted] prohibited by the state. [redacted] of individual liberty have accepted that freedom includes [redacted] make mistakes.

Similarly, Anderson [redacted] quick [redacted] recommend that the [redacted] should ban commercial surrogate motherhood on the grounds that [redacted] manipulation and exploitation of the genetic mother. If consistently applied, a policy of banning every [redacted] that involves manipulation would lead, not only [redacted] criminalisation of most economic activity, but virtually of all politics.

This [redacted] would [redacted] benefited from exploring a wider [redacted] of options for combating manipulation: it might, for example, [redacted] for [redacted] so they [redacted] able [redacted] up for themselves than [redacted] impose heavy-handed [redacted] lations.

A [redacted] reason [redacted] resisting [redacted] knee-jerk [redacted] of calling in [redacted] limitations of [redacted] market is [redacted] defects, too. Anderson recognises this, criticising [redacted] tendency for power [redacted] in remote centralised organisations. She believes [redacted] answer to [redacted] power and [redacted] more democratic. But, although democratic community organisations may [redacted] preferable [redacted] a centralised state, it [redacted] not [redacted] they [redacted] in general superior [redacted] the [redacted]

Nevertheless, the book's weaknesses when [redacted] public policy should not detract from [redacted] philosophical strengths. It is possible [redacted] reach different practical conclusions while accepting Anderson's overall theory of value, which provides a [redacted] contribution [redacted] about the [redacted] scope of the [redacted]

Hugo Dixon

ECONOMIC VIEWPOINT

Competitiveness and currencies

By Samuel Brittan

A booklet with the unpromising title *Measuring International Price and [redacted] Competitiveness* by Philip Turner [redacted] Jozef Van't dack, and published by the Bank for International Settlements in Basle, is the most revealing international economic detective story I have seen in [redacted]

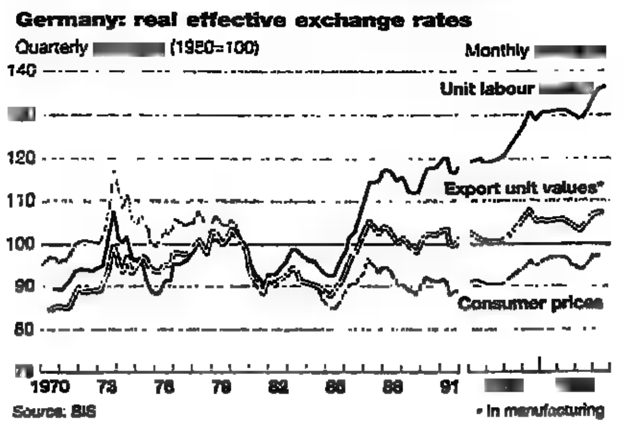
It sheds some light on the upsurge in sterling. This [redacted] recovered nearly three-fifths of the ground it lost against the D-Mark at its low[redacted] point after leaving the ERM. But even for those of [redacted] who believe in taking the exchange [redacted] fully into consideration in monetary policy, [redacted] not establish a case for a unilateral UK interest rate cut.

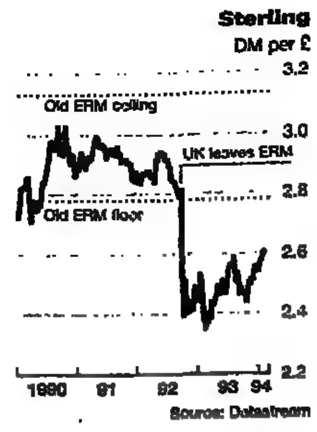
The main pressures on sterling in [redacted] did not come [redacted] uncompetitiveness against [redacted] D-Mark or other continental currencies, but against [redacted] dollar. But [redacted] other and even bigger pressure came from the market's perception that [redacted] to combat [redacted] recession would [redacted] it impossible to hold British short-term interest [redacted] anywhere near [redacted] very high [redacted] prevailing in Germany.

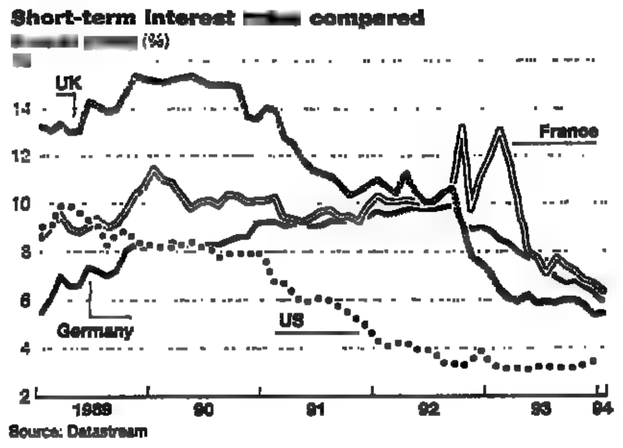
The British [redacted] period [redacted] above-trend growth to [redacted] up slack. But the December labour market figures suggest [redacted] already happening, and [redacted] not only [redacted] mainstream fore[redacted] but [redacted] the [redacted] of [redacted] production performance [redacted] understated. To [redacted] UK interest [redacted] unilaterally [redacted] only over-egg the domestic pudding, but could look provocatively like beggar [redacted] neighbour.

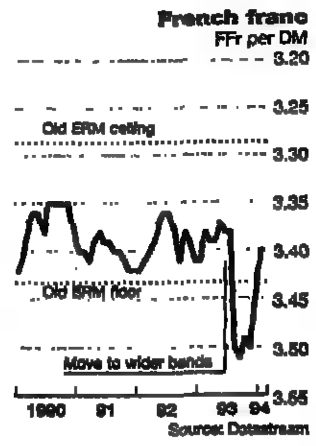
The main [redacted] emanating from the [redacted] concern, however, [redacted] D-Mark [redacted] the dollar. There [redacted] a large query [redacted] competitiveness, which was [redacted] regarded [redacted] yardstick for the [redacted] of [redacted] world. Another conclusion [redacted] US [redacted] had a [redacted] cally [redacted] ride in the international economy and [redacted] no [redacted] for blaming [redacted] the world for its [redacted] social [redacted] problems.

[redacted] route to these conclusions [redacted] through an analysis of "competitiveness". The word [redacted] sometimes used in ambitious and mind-boggling ways to [redacted] every aspect of a country's economic and even moral performance. It [redacted] in [redacted] BIS study for [redacted] more quanti[redacted] aspects of a country's price and [redacted] performance in [redacted] it [redacted] same as [redacted] exchange rate – [redacted] is [redacted] rate, as it [redacted] quoted [redacted] the press, adjusted for price [redacted] changes.









Estimating [redacted] real exchange rate or competitiveness [redacted] not simple. The first chart shows why there have been such radically [redacted] in [redacted] Germany. Judged by [redacted] prices or [redacted] export prices, the German real exchange has been remarkably stable. But as the BIS points out, world competition makes it difficult for manufacturers of traded products to move very far from international going prices. The [redacted] of high [redacted] are felt in pressures [redacted] margins, as shown by [redacted] corporate agonies.

[redacted] regards the labour [redacted] measure as [redacted] least unreliable; and [redacted] careful [redacted] count in not only pay, [redacted] all labour overheads. The [redacted] competitiveness [redacted] is shown by [redacted] of the Bundesbank in its December monthly report [redacted] rebut [redacted] case [redacted] D-Mark [redacted] (yes, devaluation).

A UK base [redacted] cut would over-egg the pudding, and look now like beggar my neighbour

The origins of German uncompetitiveness go back to the boom of the late [redacted], aggravated [redacted] the overheating of [redacted] in [redacted] early [redacted] of unification. German [redacted] now all but licked. A sign of the times is the west German chemical workers' settlement, equivalent [redacted] increase of 1½ per [redacted] – below [redacted] headline inflation consumer price [redacted] of [redacted] cent, which has itself been swollen by [redacted] increases. [redacted] important, the agreement that long-term unemployment workers can be hired [redacted] 90 per [redacted] of [redacted] pay rates, [redacted] the first beginnings of a new willingness [redacted] price the jobless [redacted] work, and to [redacted] the [redacted]

[redacted] the result [redacted] excesses is now built [redacted] structure.

Some other European countries which the BIS [redacted] reckoned to be uncompetitive improved their position when [redacted] narrow ERM exploded. [redacted] this left Germany [redacted] the [redacted] high and dry. The continuing depreciation of the [redacted] against the yen has been the main alleviating force. But there has [redacted] depreciation against the dollar, taking the last [redacted] years together, but simply a series of V shapes.

The French franc, like most of the currencies [redacted] the EU core, has stayed [redacted] to the D-Mark. Indeed [redacted] franc has [redacted] winter passed the [redacted] barrier and re-entered the [redacted] ERM band. Nor have the monetary results been the [redacted] that the opponents of shadowing the D-Mark had hoped. [redacted] interest rates, at around 6 per cent, are [redacted] more than [redacted] percent[redacted] point [redacted] UK's, as Prime Minister Edouard Balladur reminds British visitors.

Moreover French costs [redacted] lower than Germany's [redacted] rent exchange [redacted] The BIS estimates [redacted] last [redacted] German unit [redacted] 70 per [redacted] above American [redacted] while French [redacted] were 40 [redacted] higher, British [redacted] 25 per higher [redacted] only 7 [redacted] Why [redacted] has France [redacted] behind the UK [redacted] economic recovery? Partly [redacted] the [redacted] make a sharp early start in reducing interest rates; [redacted] partly because the pound became moderately undervalued. The UK could only [redacted] with its effective devaluation because [redacted] ERM departure [redacted] event, unplanned and undesired.

The [redacted] sterling [redacted] suggests [redacted] tantalising possibility [redacted] the pound [redacted] low [redacted] approaching [redacted] old ERM [redacted] against the D-Mark. Nevertheless, [redacted] is [redacted] 10 per cent down on its trade weighted [redacted], compared with August [redacted], thanks to the appreciation [redacted] the [redacted] lar [redacted] yen.

That appreciation could have further to [redacted]. The [redacted] from all the [redacted] computations is that [redacted] dollar [redacted] still very cheap [redacted] any comparison of [redacted] costs [redacted] prices of internationally traded products. This fact might increase the [redacted] for [redacted] con[redacted] in European interest [redacted], perhaps timed to coincide [redacted] the much [redacted] next Fed tightening. [redacted] attempts by European [redacted] to [redacted] or [redacted] competitive [redacted] against [redacted] should be [redacted] at all costs.

There is a limited amount of Marketing Opportunities available at the conference

FT FINANCIAL TIMES CONFERENCES

The London Motor Conference

London, 21 February 1994

The meeting will focus on the competitiveness of the European motor components industry and consider the challenges facing the sector of achieving 'world class' standards. The structure of vehicle distribution and retailing in the mid-1990s and manufacturer-supplier relationships will also be addressed.

Speakers will include:

Sir David Lees
Chairman and Chief Executive
GKN plc

Mr Yukihisa Hirano
Managing Director
Toyota Motor Manufacturing (UK) Ltd.

Mr John T Lindquist
Senior Vice President
The Boston Consulting Group Limited

Mr Chris Swan
Chairman and Managing Director
Finelist Ltd

Professor Garel Rhys OBE
Professor of Motor Industry Economics
Cardiff Business School

Mr John Towers
Group Managing Director
Rover Group Ltd

Official Hotel
LONDON HILTON ON PARK LANE

THE LONDON MOTOR CONFERENCE

☐ Please [redacted] conference [redacted]
☐ Please send me details about marketing opportunities

Financial Times Conference Organisation
PO Box 3651, London SW12 8PH,
Tel: [redacted] 9000 Fax: 081-673 1335

[redacted] Mr/Mrs/Ms/Other ______
[redacted] ______ Dept ______
Company/Organisation ______
Address ______
City ______
Post Code ______ Country ______
Tel ______ Tlx ______ Fax ______
Type of Business ______

FT FINANCIAL TIMES CONFERENCES

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 [redacted]. Letters transmitted [redacted] clearly typed and not [redacted] written. [redacted] set fax for finest resolution

Finance not the key to Russian reform

From Mr Bijan-Daniel Khezri.

Sir, [redacted] financial [redacted] is not better aid. [redacted] proposing that western governments "provide about [redacted] cent of [redacted] gross national product ($14bn) in quick-disbursing [redacted] for socially oriented projects", Jeffrey Sachs and Charles Wyplosz ("How [redacted] west should help Russian reform", January 11) suggest a short-term [redacted] of symp[redacted] rather than a policy taking into account [redacted] structural [redacted] blocking reforms [redacted] the short as well as in the long term.

First, parliamentary appropriations will [redacted] difficult [redacted] obtain. Recession-haunted [redacted] taxpayers [redacted] fed up with pumping [redacted] of dollars into non-existent [redacted] economic structures, paying for western policymakers' inability to develop a [redacted] co-operative strategy for reform. The policy should consist, financial [redacted] aside, of strong [redacted] wide-ranging technical assistance in local institution-building (tax-system, judiciary, banking, [redacted] and [redacted] training.

Professors Sachs and Wyplosz [redacted] that "$14bn [redacted] surely the [redacted] important [redacted] in [redacted] democratic future and, thus, in [redacted] security"; [redacted] dealings [redacted] republics during the past [redacted] might well indicate that [redacted] Trojan horse of Russian [redacted] sionism, threatening international security, is a battery [redacted] subtle ideology-fuelled [redacted] politics manifested in trade and monetary policies, economically suffocating [redacted] neighbours [redacted] death. The west's stability-enhancing [redacted] port should focus on [redacted] economic and, thus, political survival [redacted] Russia's neighbours. A possible policy option might [redacted] providing [redacted] Russia, [redacted] politically [redacted] abuse energy and monetary monopolies.

A well-established [redacted] corrupt entrepreneurs is [redacted] ing a state of its own within [redacted], controlling [redacted] wealth [redacted] country, namely [redacted] natural resources. It [redacted] manipulating [redacted] development [redacted] all entrepreneurial activity, [redacted] ing partly hand in hand with [redacted] government and reducing the country's [redacted] through systematic bribery – though creating [redacted] jobs and filling some empty shelves. Under [redacted] circumstances, [redacted] reform [redacted] should [redacted] strictly limited [redacted] technical assistance, excluding huge financial injections.

Bijan-Daniel Khezri,
[redacted] Consulting,
18, [redacted] Drouot,
F-75009 Paris, France

Quintessentially British

[redacted] Antonio [redacted]

Sir, Joe Rogaly talks ("Major's deadly mantra", Jan[redacted] 11) of "wholly legal Ital[redacted] practices", such [redacted] the "sale [redacted] honours", [redacted] transfer of "redundant officials ... to [redacted] lucrative private sector, [redacted] boardroom chairs [redacted] ministers", [redacted] I'm [redacted] list would have [redacted] of [redacted] compatriots puzzled; [redacted] practices would [redacted] peculiar [redacted] my country and [redacted] would [redacted] illegal. But then we in Italy [redacted] believe that they [redacted] a quint[redacted] – and wholly legal – part of the British scene. Then again, was [redacted] Rogaly perhaps implying [redacted] corruption and impropriety are by definition [redacted] the [redacted] Italy [redacted] things Italian?

I wonder, since I [redacted] it would [redacted] presumptuous exclusively [redacted] my country with [redacted] which seem [redacted] be so universal [redacted] so widely shared, albeit [redacted] in [redacted] own [redacted] ways.

Antonio Armellini,
[redacted] counsellor,
Italian Embassy,
14 Three Kings Yard,
London W1Y 2EH

Not a premium decision

From Mr [redacted] C [redacted]

Sir, [redacted] considerable criticism [redacted] the [redacted] to increase premium bond prizes to £1m and decrease the number of [redacted] prizes. Perhaps [redacted] more [redacted] reports that this [redacted] was [redacted] "gut feeling" by [redacted] responsible for [redacted] management [redacted] premium [redacted] on [redacted] ket survey. If this [redacted] correct, it is a [redacted] indictment of the quality of management in what appears [redacted] substantial business enterprise.

Surely, [redacted] certainty [redacted] winning smaller and more frequent prizes [redacted] the current system serves best to [redacted] for [redacted] investor's mild gambling psyche and [redacted] an acceptable [redacted] to [redacted] conventional method [redacted] earning [redacted] return from [redacted] capital sum? [redacted] new proposal [redacted] strongly gambling-orientated, offering not only an extremely remote [redacted] of winning but [redacted] real financial disincentive through [redacted] regular small prizes ("interest").

I believe [redacted] distinctions [redacted] entirely separate segments of our investing [redacted] munity.

Iain C Baillie,
20 Chester Street,
[redacted]

From [redacted] H [redacted]

Sir, Like other correspondents, I oppose the proposed £1m premium bond prize.

John H Shimmins,
[redacted] 12,
[redacted]
Switzerland

Lack of reality in funding large transport projects

[redacted] Mr P Evans.

Sir, Your article "Manchester [redacted] forecasts" (January 10) correctly highlighted [redacted] benefits in combining the public and private [redacted] infrastructure investment. [redacted] Manchester continued [redacted] and [redacted] adopting an identical approach here in [redacted] Midlands.

The problem is a much more difficult [redacted] to solve than [redacted] since [redacted] right to the heart [redacted] way [redacted] ernment thinks and the way that the public [redacted] financed [redacted] the past 14 years.

The big projects currently suggested in [redacted] press [redacted] still a long, long [redacted] from being brought to fruition, due [redacted] the requirement to inject [redacted] unrealistically high level of private [redacted] finance. If a partnership has [redacted] forged between the public and private sectors then a better understanding of the risks and rewards [redacted] be achieved.

It is [redacted] that private sector finance can be substituted for what should be properly spent by the public [redacted]. A proper partnership [redacted] tial.

This view [redacted] practi[redacted] experience [redacted] attempts to persuade the private sector and the government [redacted] invest in [redacted] light rail rapid transit [redacted] the [redacted] Midlands – Midland Metro. This scheme, which represents excellent [redacted] for money, has passed [redacted] stiffest financial [redacted] fit analysis [redacted] any [redacted] mitted [redacted] Department of Transport. [redacted] fits [redacted] project will give [redacted] the [redacted] Midlands [redacted] far outweigh [redacted] requirement [redacted] Department [redacted] Transport [redacted]

It is, however, prevented from proceeding due [redacted] the continual [redacted] public [redacted] borrowing requirement. The partnership with the private [redacted] (the [redacted] Midlands passenger transport executive) and [redacted] Altram consortium grouping of John Laing and Ansoldo Trasporti [redacted] complete. [redacted] land for [redacted] scheme [redacted] being acquired. Significant [redacted] have [redacted] transferred [redacted] private sector and a firm contract price agreed [redacted] tium. [redacted] willing to start immediately the government gives [redacted] go-ahead.

When the public and private [redacted] can [redacted] agreement, as we have done, and are ready [redacted] start, [redacted] government has an excellent opportunity [redacted] demonstrate that the "private finance initiative" can be realistically implemented.

We look forward to [redacted] quick, positive government [redacted] in order that [redacted] particular transport [redacted] can proceed.

P Evans,
director of finance,
Centro,
16 Summer Lane,
Birmingham [redacted] 3SD

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 [redacted]
Thursday January 13 1994

The case for lower rates

Nothing, barring a miracle, would do more to lift the spirits of glum Tory backbenchers than a sharp cut in short-term UK interest [redacted] question is [redacted] a prudent chancellor of [redacted] quer could justify such a cut. The answer is that he could.

The last interest rate cut – by half a percentage point – occurred in the week before the November budget. That rate of interest was [redacted] right [redacted] prospects at [redacted], including the budget. Two questions arise, the first [redacted] subsequent news [redacted] the judgment [redacted] the [redacted] whether it was [redacted] at the time.

In November, [redacted] Treasury thought real domestic demand [redacted] expand at an annual rate of [redacted] cent between the second [redacted] and [redacted] half [redacted]. Over 1994 [redacted] a whole both demand and [redacted] product would be up 2¼ per cent. It [redacted] the increase in retail prices, [redacted] interest, at 3¼ per cent in the year to the fourth quarter [redacted] 1994.

Nothing learned [redacted] then fundamentally compromises [redacted] view. The underlying annual [redacted] of earnings inflation has remained [redacted] months. [redacted] rates [redacted] both [redacted] and [redacted] money have been accelerating, but not worryingly [redacted] increase in real GDP in the year to [redacted] third quarter [redacted] 1993 [redacted] 2.1 per cent, little short of the forecast rate for [redacted] exchange rate [redacted] been appreciating, though [redacted] against [redacted] D-Mark than overall. Yesterday's trade-weighted effective exchange [redacted] only 1.5 per cent [redacted] than [redacted] budget day.

More cautious

One bit of news that might make [redacted] Treasury [redacted] cautious is [redacted] reduction of 137,900 in unemployment during the three months to December. This suggests either that economic growth accelerated in the last quarter of 1993 or that the underlying trend rate of economic growth is lower than most analysts had thought. Either way, the authorities might feel more cautious about adopting a more expansionary policy.

On balance, however, a significant change in the judgment reached [redacted] months ago would seem unnecessary. The question is rather whether it was sensible.

The [redacted] powerful argument [redacted] cutting short-term interest [redacted] substantially – that is, by at least one percentage point – is that economic activity remains well below full capacity on any [redacted] measure. With growth in [redacted] since its cyclical trough running at an annual rate of about 3 per cent, the economy should also be quite as [redacted] capacity now as it was in early 1992.

Sensible policy

[redacted] of the subsequent decline in unemployment [redacted] caution on [redacted] point. Nevertheless, if [redacted] principal [redacted] disinflationary [redacted] capacity and [redacted] output, further reductions in inflation [redacted] seem guaranteed. [redacted] inflation [redacted] within the government's [redacted], the [redacted] policy [redacted] to full capacity [redacted] swiftly [redacted] possible.

[redacted] in [redacted] policy [redacted] been either to overshoot, [redacted] over-optimistic [redacted] full employment or, [redacted] in [redacted] to approach full capacity [redacted] quickly. [redacted] into [redacted] next [redacted] and the personal [redacted] overhang [redacted] convincing. This [redacted] unlikely [redacted] Lord Lawson's [redacted].

Overshooting [redacted] serious, if longer-term, danger. It [redacted] impossible to [redacted] what point [redacted] underlying [redacted] inflation might turn up once more. It [redacted] disturbing, for example, [redacted] annual earnings inflation, though down to [redacted] per cent in services, is at 4 per cent in manufacturing, even though the labour force fell by 126,000 in the year to the third quarter of 1993, while that in [redacted] vices rose by 196,000 over the same period.

For all that, the disinflationary pressures still at work do provide a strong case for a more expansionary monetary policy. Admittedly, it would be easier to be confident of that advice if institutional changes looked likely to preclude an early return to faster wage inflation. Policy needs to be more credible. If the desirable period of rapid growth is not to end in the traditional inflationary outbreak, independence for the Bank of England remains the right medicine.

Mr Gore's big picture

A good politician must be able to gaze at the stars but keep his feet planted firmly on the ground. US Vice-President Al Gore has managed to achieve this difficult double trick in his plans for developing an advanced communications infrastructure, which he outlined earlier this week.

Mr Gore's star-gazing involved expanding on his vision of a society where all homes, offices, schools and other community bodies would be connected to electronic "super-highways". Through these, they would have access to a wide range of "multi-media" services which could include information databases, video-telephony and interactive computer [redacted] in addition to standard telephony and television.

But the vice-president also kept his feet on the ground by making [redacted] that the bulk of [redacted] in networks, services [redacted] products would be [redacted] by private enterprise. [redacted] has largely abandoned earlier suggestions that the state might be involved in constructing [redacted] networks.

The emphasis on competitive private enterprise [redacted] important. It provides the [redacted] that the vision will be realised, as there is no prospect of finding tens of billions of dollars from [redacted] coffers. It also means [redacted] investment is likely to be [redacted] on products [redacted] services that [redacted] genuine customer needs. A government-sponsored programme could easily have been wasteful, resulting in [redacted] provision [redacted] services that nobody wanted.

Dynamic sectors

The telecommunications, [redacted] television, entertainment and computer [redacted] already constitute some of the most dynamic sectors of the US economy. The administration's determination to free them to compete vigorously builds on that strength and should put them in an even better position to perform well in world markets. The spate of multi-media mergers over the past year – including Bell Atlantic's bid for TCI and the battle for Paramount – is evidence of companies' enthusiasm to exploit such opportunities.

[redacted] main thrust [redacted] Mr Gore's proposed legislative [redacted] is [redacted] bonfire of the regulations which create artificial barriers [redacted] parts [redacted]. These stem from [redacted] main sources. First, the 1984 Cable Act, which restricts telephone companies' ability to provide video services over their networks. Second, the "modified final judgment" which broke American Telephone & Telegraph [redacted] long-[redacted] and [redacted] regional groups. [redacted] part [redacted] ruling, the regional [redacted] known as Baby Bells, [redacted] not [redacted] to provide long-distance services [redacted] manufacture equipment [redacted] fears that they would [redacted] their local monopoly positions to dominate these markets.

Monopoly concerns

Such restrictions may have been necessary in the interim to enable [redacted] players [redacted] in the [redacted] and [redacted] munications markets. But they currently serve [redacted] limit competition and hold [redacted] investment.

This [redacted] mean that [redacted] oly concerns can [redacted] dismissed. [redacted] the Baby [redacted] remain [redacted] in their regions. [redacted] administration [redacted] sensibly plans [redacted] main [redacted] ensure fair competition. First, telephone [redacted] panies will continue [redacted] be prohibited from taking over cable [redacted] within [redacted] regions. [redacted] work operators will have [redacted] common carriers [redacted] the multi-media [redacted] supplied by [redacted] competitors.

Mr [redacted] that all Americans should have [redacted] to [redacted] new super-highways [redacted] rates, regardless [redacted] their income [redacted] geographical [redacted]. He [redacted] avoid creating [redacted] society [redacted] information "haves and have-nots" and so plans [redacted] require [redacted] providers to supply [redacted] represent profitable business. While the social advantages of this policy [redacted] clear, the administration will need [redacted] careful not [redacted] impose such hefty obligations that it [redacted].

Overall, [redacted] has [redacted] out [redacted] attractive platform which should put the [redacted] in a good position to [redacted] opportunities of [redacted] multi-media future. [redacted] challenge [redacted] the [redacted] is to respond in kind. Otherwise, it will find itself falling further [redacted] further behind.

Uncle Sam's super-highway

In a rapidly changing market, the US is dismantling telecommunications regulations, writes Martin Dickson

The US [redacted] laying [redacted] foundations of [redacted] national information "super-highway" [redacted] speed [redacted] is surprising even the roadbuilders – [redacted] which promises to give the country [redacted] global competitive edge.

The key factors [redacted] it [redacted] a rush of new technology and [redacted] competitive spirit of American capitalism. But Washington [redacted] also playing an important part [redacted] it struggles to adapt the country's complex and [redacted] regulatory [redacted] to [redacted] dawning "information age".

The speed of change in both [redacted] private [redacted] and government policymaking [redacted] by [redacted] significant developments [redacted] the first [redacted] days of [redacted]

- [redacted] Communications, the innovative long-distance telephone group, announced that it and various [redacted] partners would spend [redacted] six years, to improve [redacted] existing communi[redacted] network [redacted] competing [redacted] against America's local telephone monopolies, especially [redacted] "Baby Bells" [redacted] sector.

MCI is by far the largest of several companies muscling in [redacted] market, [redacted] it could present [redacted] particularly serious challenge [redacted] the [redacted] phone [redacted] played [redacted] key role [redacted] anti-trust court [redacted] 10 years [redacted] forced American Telephone & Telegraph [redacted] competition in the long-distance market and to spin off the Baby [redacted] as separate companies.

- On Tuesday, Vice-President Al Gore, the [redacted] figure on high-technology issues, [redacted] regulatory change [redacted] push forward in [redacted] speech which outlined for the [redacted] time legislation being prepared by the [redacted] House, [redacted] would [redacted], competitive framework [redacted] various communica[redacted].

"This administration," [redacted] said, "will [redacted] let existing regulatory structures impede [redacted] distort [redacted] evolution of [redacted] communications industry."

[redacted] Gore who coined [redacted] phrase "information super-highway" many [redacted] when [redacted] of Congress urging government support for high-speed [redacted] link researchers [redacted] universities [redacted] government laboratories throughout the country.

Now the [redacted] used much [redacted] broadly, [redacted] a national system of inter-linked high-speed, high-capacity communications networks [redacted] deliver [redacted] large array of inter-active consumer, business and educational services, from movies-on-demand to medical X-ray images.

The [redacted] believes [redacted] quick deployment of [redacted] information super-highway will give [redacted] important competitive edge – for [redacted] ple, by improving industrial efficiency and the quality of education. In his speech Mr Gore challenged industry [redacted] begin providing [redacted] to the network for every classroom, library [redacted] hospital.

The highway could also give a strong [redacted] to America's already significant exports of communica[redacted] equipment and expertise. In 1992 it exported [redacted] of telecommunications equipment and had a [redacted] surplus of about $1.2bn.

The government is happy to leave super-highway [redacted] decisions to [redacted] private sector. Technology is changing rapidly and [redacted] predict what services [redacted] will [redacted]. Fast-moving entre[redacted] will be best [redacted] react to [redacted] forces.

[redacted] does the White House [redacted] to pick industrial "winners" [redacted] industries [redacted] jostling [redacted] a piece [redacted] the multi-media pie: telephony, cable television, broadcasting, computing, wireless communications, publishing [redacted] even electricity utilities, which [redacted] dering how [redacted] capitalise on the [redacted] lines they have running into every building.

There is [redacted] general [redacted] in [redacted] the [redacted] government and the pri[redacted] sector that winners [redacted] losers in [redacted] industrial revolution are best [redacted] marketplace competition, [redacted] is [redacted] regarded as the greatest [redacted] to network modernisation, [redacted] the creation [redacted] the "super-highway".

For example, Mr Gore pointed out that AT&T had moved more rapidly to introduce modern digital systems into the long-distance market after this was thrown fully open to competition in 1984.

However, Washington does have two important roles. The first is to simplify the complicated regulatory [redacted] restricts competition. The second is to establish new public policy goals to ensure reasonable access [redacted] network for [redacted] Americans.

The central problem is that America's existing regulatory system [redacted] world [redacted] is gradually dying: [redacted] the Baby Bells [redacted] well [redacted] other independent [redacted] phone companies) [redacted] a monopoly over local telephone [redacted]. The [redacted] oly was largely [redacted] in [redacted] of scarce telecommunications resources, [redacted] room for competing services.

[redacted] also very cosy. Local [redacted] lators [redacted] the phone companies to make a decent return on [redacted] investments, provided [redacted] prices remained reasonable and they [redacted] obligation to provide a "universal service" – that is, enabling [redacted] to have a telephone service in their home [redacted] a reasonable cost.

The phone companies have [redacted] ally achieved this by charging business customers high [redacted] to subsidise artificially low [redacted].

At [redacted] time, [redacted] muscle of [redacted] Baby Bells prompted fears that they would use their monopoly telephone profits to compete unfairly in other sectors. [redacted] of this, [redacted] court settlement which [redacted] AT&T banned [redacted] from the long-distance telephone market, telecommunications equipment manufacturing, and information services (though [redacted] last [redacted] was [redacted] by the courts two years ago).

Similar [redacted] mean that a 1984 [redacted] which regulates the cable television industry bans all [redacted] regional telephone companies from owning and delivering video programming in their local [redacted], reinforcing [redacted] local monopolies enjoyed by the cable companies.

Now, however, both the telephone and cable monopolies [redacted] crumbling. [redacted] technology, [redacted] in particular [redacted] ability to transmit audio, [redacted] and [redacted] information in the same [redacted] form, means that the neat distinctions between [redacted] industries are blurring.

Entrepreneurial compa[redacted] are muscling into eachother's territory, though [redacted] every turn they find [redacted] battering against [redacted] latory barriers.

[redacted] example, MCI's [redacted] local [redacted] vice will initially be aimed only [redacted] business customers seeking direct [redacted] to the long-distance market. This is mainly because this market offers better profit prospects, but also because all but four [redacted] states [redacted] competition in the local market for normal telephone traffic. [redacted] Roberts, [redacted] executive, is promising a war to pry [redacted] this market.

Similarly, Bell Atlantic, one of the [redacted] innovative of [redacted] Baby Bells, had to take court action last year to win the right [redacted] compete against the [redacted] industry in its area. It successfully argued that [redacted] 1984 cable act was [redacted] infringement of [redacted] constitutional rights to [redacted] speech.

Until recently, [redacted] as if such turf battles would continue for many years, with each industry defending its monopoly rights and its supporters in Congress blocking [redacted] at regulatory reform.

However, [redacted] past year [redacted] has emerged in both the communications industries and Washington that comprehensive legislation is required quickly [redacted] cut through the many, [redacted] flicting layers of regulation [redacted] competition.

[redacted] shift stems particularly from a [redacted] bids bringing together [redacted] telephone companies. [redacted] of these, a [redacted] last [redacted] involving Bell [redacted] Tele-Communications, the largest cable company, played a crucial role in reducing hostility between the two industries.

[redacted] the shift has also been helped by [redacted] Clinton administration. For while President Bush adopted a generally laissez-faire approach [redacted] communications regulation, the Clinton-Gore [redacted] made the creation of [redacted] information super-highway [redacted] important campaign pledge.

That said, [redacted] administration [redacted] not been quick to develop [redacted] own communications policy and the bill it [redacted] promising will draw heavily on legislation currently before Con[redacted] the product [redacted] delicate [redacted] promises between House [redacted] Representatives committee members.

The so-called Markey/Fields legis[redacted] would give [redacted] competitors – including cable companies – [redacted] right to compete with local telephone companies and use their facilities on [redacted] non-discriminatory [redacted] inter-connect with consumers. The legislation would over-ride [redacted] laws impeding this.

At the same time, the regional telephone companies [redacted] free [redacted] services in competition with cable. They would, however, still [redacted] banned from buying local cable companies, so that [redacted] would be able to choose from at [redacted] two competing multi-media services.

On Tuesday, Mr Gore [redacted] a step further with a proposal that multi-media companies be given the opportunity to adopt a special new status, freeing them from many local, state and federal rules, in return for [redacted] commitment to "open access" – that is, allowing all providers of programming to [redacted] their networks at reasonable cost.

A second piece of legislation before Congress – also endorsed by the White House – addresses long-standing complaints by the Baby Bells that [redacted] unfair for [redacted] petitors such [redacted] to invade their local territory (though the Bells still control all but [redacted] tiny fraction of traffic), when they are still barred from the long-distance market and equipment manufacturing. The Brooks/Dingell bill would allow the Bell companies [redacted] apply for permission [redacted] enter manufacturing after [redacted] one-year wait and the long-distance market after five years.

But while the basic principles of legislation are now clear, and have been given a powerful impetus by Mr Gore's embrace, some huge battles loom as Congress tries [redacted] flesh out the fine print. These details will have [redacted] big impact on companies' investment decisions and profits.

For example, [redacted] local telephone companies [redacted] concerned about the rules governing the inter-connection between their facilities and those of new rivals. They complain [redacted] the Markey legislation goes [redacted] far in requiring them [redacted] "unbundle" their services – separating out the various features of the telephone network [redacted] offering them [redacted] sale [redacted] competition. Complains Mr Ron Stowe, [redacted] representative in Washington of the Baby Bell Pacific Telesis: "It [redacted] far beyond what other competitors have asked for and, [redacted] general rule, what might be described as essential services."

The cable companies, for their part, [redacted] to be weighed down by the stringent requirements imposed [redacted] the telephone companies to provide a universal service.

A commitment [redacted] universal [redacted] vice is basic both to the Markey bill [redacted] the White House's legislation. But [redacted] fundamental [redacted] have yet to be resolved.

First, how do you do define universal service in [redacted] multi-media age? The Clinton administration is stressing the need to prevent the US becoming [redacted] nation of "information haves and have-nots", in which individuals [redacted] denied access [redacted] essential information because of poverty [redacted] location.

[redacted] should universal service consist simply of [redacted] telephone line, or include a more expensive basic package of other features – such [redacted] video information?

Second, how [redacted] you fund universal service when the local telephone company has lost the monopoly which buttressed its subsidies?

There is general agreement that a mechanism needs [redacted] be found [redacted] ensure that all providers of essential services share equitably in the cost [redacted] subsidies. And many industry figures [redacted] the subsidies should [redacted] delivered direct [redacted] the customer – for example, though vouchers or credits [redacted] their bill – [redacted] than going to the communications [redacted] as now.

[redacted] the Clinton administration has [redacted] work cut out if it is [redacted] get legislation through Congress by the end [redacted] 1994, [redacted] it plans.

The players jostling for position in the information revolution have [redacted] squabbling [redacted] turf for [redacted] past [redacted] about [redacted] stop [redacted] – whatever the harmoni[redacted] new [redacted] noises they and the government [redacted] emitting.

[redacted] ADMINISTRATION'S [redacted] POLICY GOALS

- Encourage private-sector [redacted] of [redacted] information super-highway
- Provide open, non-discriminatory [redacted] information
- Promote and protect competition in communications
- Avoid a society of communications "haves" [redacted] "have-nots"
- [redacted] universal [redacted]

OBSERVER

EBRD's tasty morsels

■ Time [redacted] the European Bank [redacted] Reconstruction and Development knew [redacted] to throw [redacted] good party. But it [redacted] like this weekend's get-together [redacted] EBRD top [redacted] at an [redacted] destination [redacted] the English south [redacted] will not [redacted] hoot.

Three months [redacted] the job, EBRD [redacted] Jacques de Larosière has concluded that [redacted] problems bequeathed by his predecessor, Jacques Attali, are [redacted] than previously thought. [redacted] for [redacted] will be limited to [redacted] maximum of 1 per cent [redacted] year and top-dog [redacted] will [redacted] frozen. [redacted] far [redacted] of his [redacted] to [redacted] in [redacted] Europe rather than London. Hands up volunteers [redacted]

[redacted] perhaps [redacted] blow is the closure of the EBRD's executive dining [redacted] like it [redacted] a Michelin star. [redacted] days [redacted] Larosière [redacted] in the staff canteen where he picks up useful tips by chatting up [redacted] staff. [redacted] long will [redacted]

Gulag graft

■ Talking [redacted] the EBRD, [redacted] hoping [redacted] make [redacted] killing [redacted] annual meeting in [redacted] Petersburg [redacted] April is Roger Garside, former public relations chief of the London Stock Exchange. [redacted] and [redacted] couple of cronies [redacted] sending [redacted] for [redacted] months to scout [redacted] promising investment opportunities, salt [redacted] not excluded.

Working out of [redacted] branch of [redacted] Academy of [redacted] in Novosibirsk, they will prospect [redacted] investment opportunities all the [redacted] from the Urals in the west to the Kamchatka peninsula. The region has the highest ratio of untapped natural resources [redacted] anywhere [redacted] the world, according to Garside, who hopes to launch [redacted] European investment fund for Siberia. A man [redacted] hurry, [redacted] wants to have a portfolio of investment opportunities ready [redacted] time to show [redacted] EBRD's St Petersburg bash.

Another sign [redacted] the [redacted] for emerging markets is getting out [redacted]

Faith, hope, charity

■ Celebrities rush [redacted] where Nato [redacted] tread. Well, not [redacted] perhaps. Alan Sealy, [redacted] British ex-marketing man who describes himself as an "ordinary bloke", has managed to entice some stars [redacted] January 18 to [redacted]

Sealy's ad hoc group Sarajevo

Witness [redacted] staging what it calls a "multi-faith event". Southwark's Anglican bishop, Roy Williamson, will be joined by [redacted] counterpart, [redacted] Henderson, along with Orthodox, Moslem [redacted] Jewish divines.

But the [redacted] crowd-pullers will [redacted] actress Juliet Stevenson – reading from [redacted] diary of 11-year-old [redacted] Filipovic, [redacted] so-called "Anne [redacted] of Sarajevo" – [redacted] punk virtuoso violinist Nigel Kennedy. [redacted] lights [redacted] Bosnian [redacted] Vedran Smailovic [redacted] television newsreader [redacted] Badawi.

[redacted] one celebrity [redacted] pull [redacted] Stewart, the [redacted] commander [redacted] Cheshire regiment with [redacted] in Bosnia, [redacted] romantic relationship with [redacted] aid worker in Sarajevo caught the headlines, [redacted] can't [redacted] all.

Small print

■ Christopher Fell, a retired pharmacist and [redacted] FT reader with a life-long [redacted] in [redacted] economics, [redacted] a helpful suggestion as to why [redacted] current generation of Tory politicians may [redacted] getting into hot [redacted] illegitimate children: it [redacted] in [redacted] the fault of the *Shorter Oxford English Dictionary*.

Fell points [redacted] dictionary only [redacted] "condom" and "French letter" in the 1983 addendum [redacted] the [redacted] edition. "By [redacted] ministers had [redacted] their education and were in politics ..." So John Major's emphasis [redacted] education in his [redacted] message has [redacted] private morality spin after all.

Gnomic Zurich

■ [redacted] Alan Walters, [redacted] hardline monetarist adviser [redacted] Thatcher [redacted] prime minister, [redacted] in [redacted] surprising places.

His [redacted] venture [redacted] on a directorship [redacted] a newish, high-powered Zurich consultancy, Leutwiler und Partners, which has also recruited Arthur Dunkel, [redacted] former Gatt secretary-general, as an [redacted]

[redacted] consultancy [redacted] up [redacted] little over a year [redacted] by Fritz Leutwiler, retired president of the [redacted] National Bank. Another tough monetarist, Leutwiler [redacted] also a big Thatcher fan, having once betrayed [redacted] un-Swiss emotion that "remembering that I am a married man, I love her".

"Strategic advice [redacted] a very senior level" [redacted] the [redacted] behind [redacted] outfit, according [redacted] vice-chairman [redacted] Hankes-Drielsma, [redacted] Walters [redacted] already been involved, sitting [redacted] economic policy advisory committee [redacted] up by Leutwiler for the Kingdom of Jordan. Hankes-Drielsma, [redacted] former management committee chairman [redacted] Waterhouse, [redacted] it was "a natural progression" for him to [redacted] director.

[redacted] Leutwiler [redacted] Partners be hoping [redacted] land [redacted] contract with Her Majesty's Government, via Walters? "Not that I am [redacted] of," Hankes-Drielsma responds drily.

Whatever, transport economists clearly travel well.

Special relationship

■ A disgruntled Metallgesellschaft employee has figured out that [redacted] company's exploits in the oil futures markets [redacted] subsidised American car drivers' petrol bill [redacted] the [redacted] of [redacted] pfennigs a litre.

Capital Perspectives
Local Commitment
Global Capacity
NOMURA

FINANCIAL TIMES
Thursday January 13 1994

Capital Perspectives
International Bond Conference
in Prague
13th & 14th January, 1994
NOMURA

Ferruzzi cash switched to secret account outside Italy, court told

Vatican bank bribes link alleged

By Haig Simonian in Milan

The role [illegible] the Vatican [illegible] in channelling alleged bribes [illegible] politicians was disclosed in court yesterday by a key figure in Italy's political corruption [illegible]dal.

Mr Luigi Bisignani, the former head of external relations [illegible] the Ferruzzi industrial group, [illegible] he [illegible] the Istituto [illegible] le Opere di Religione (IOR), the Vatican bank, [illegible] transfer payments from the [illegible] [illegible] secret accounts outside Italy.

The [illegible] notoriety in the early 1980s when [illegible] linked [illegible] the collapse of Banco Ambrosiano, the Milanese bank run by Roberto Calvi. He was later [illegible] hanged under Blackfriars Bridge in London.

The payments by Ferruzzi [illegible] alleged [illegible] have been made to obtain the support of politicians for the dissolution of the [illegible] Enimont chemicals joint venture between Ferruzzi's Montedison industrial arm and the state-owned Eni [illegible] group.

The Enimont affair, in which Ferruzzi [illegible] alleged to have paid about L150bn ($88.4m) in kickbacks, has become one of the most important strands in the two-year corruption probe.

The [illegible] have cut a [illegible] through the Italy's political and business establishment and drawn in most of the country's leading parties.

Making his first public appearance since giving himself up [illegible] week, Mr Bisignani, a former journalist with [illegible] in the Christian Democrat party and the Vatican, said he had acted on the instructions of Mr Raul Gardini, the former head of Ferruzzi, [illegible] committed suicide [illegible] year.

Mr Bisignani [illegible] speaking [illegible] the witness box [illegible] trial of Mr Sergio Cusani, a Milanese financier arrested last year [illegible] part of the corruption investigations. Mr Cusani, linked [illegible] both Mr Gardini and senior [illegible] of the [illegible] party, is alleged to have [illegible] as a go-between for Ferruzzi [illegible] politicians.

The trial, which opened [illegible] year, is the first big [illegible]tion in the corruption [illegible]. It [illegible] already involved some of Italy's best-known politicians.

Mr Bisignani admitted he had received about L4bn for his efforts to put Mr Gardini in contact with the IOR.

The bank does not normally take deposits from people with no connection [illegible] the [illegible] Catholic church.

Magistrates leading [illegible] investigations flew [illegible] Luxembourg for information on alleged transfers from Ferruzzi to local banks.

Mr Cusani subsequently admitted in [illegible] that [illegible] of the Luxembourg accounts identified as having received L52bn in Ferruzzi money [illegible] his name.

The Milan case, the first in a series of trials, [illegible] expected to [illegible] several months.

Democrats add to pressure on Clinton over property funds

[illegible] George Graham in Washington

[illegible] president Bill Clinton [illegible] expected [illegible] give [illegible] mounting political pressure yesterday and [illegible] attorney-general Janet Reno to appoint a special counsel [illegible] investigate his involvement with a *bankrupt Arkansas savings and* loan institution in [illegible] 1980s.

White House officials had hoped to deflect the mounting controversy over [illegible] Clinton's investment in Whitewater Development, an Ozark Mountains property venture, [illegible] links [illegible] Madison Guaranty, [illegible] bankrupt thrift, by turning [illegible] all their documents to a Justice Depart[illegible] investigator.

But senators from the president's own Democratic party have this week joined a chorus of his Republican enemies by demanding the appointment [illegible] a *special counsel, undercutting* [illegible] House's attempts [illegible] fend *off the controversy as* [illegible] *political feuding.*

Senator Robert Dole, the Republican [illegible] in [illegible] Senate, stepped [illegible] on Mr Clinton by calling for a Senate select committee similar [illegible] those [illegible] investigated [illegible] Watergate [illegible] *Iran-Contra scandals.*

The [illegible] had hoped [illegible] delay any further [illegible] Whitewater until Mr Clinton returned from Russia [illegible] week, [illegible] avoid distracting from a trip [illegible] which administration officials have been counting to improve Mr Clinton's foreign policy [illegible].

A [illegible] last week [illegible] hand [illegible] documents [illegible] Justice Department backfired when the White House requested a subpoena to ensure that [illegible] papers would remain [illegible].

The Whitewater controversy *has refused* [illegible] *go away, and the* call for a special counsel [illegible] be *Mr Clinton's* [illegible] *hope* [illegible] *getting* the [illegible] behind him [illegible] Con[illegible] Washington in a fortnight's time.

The controversy springs from [illegible] and [illegible] Clinton's investment in Whitewater in partnership with Mr [illegible] McDougal, [illegible] *of* [illegible] *Guaranty,* [illegible] *Arkan*[illegible] thrift. Republicans [illegible] Madison, which failed in [illegible] at a [illegible] of [illegible] government, was loosely supervised [illegible] of Mr McDougal's political connections [illegible] have channelled money improperly to Whitewater and to Mr Clinton's election funds.

Whitewater appears [illegible] have done Mr Clinton little damage so far, with opinion polls this week showing that public approval of [illegible] performance as president has remained stable [illegible] improved since the controversy emerged *again* [illegible] *month.*

Bonn's big hole is a washout

By Quentin Peel in Bonn

They call [illegible] Hole in [illegible] the huge building [illegible] the banks [illegible] the [illegible] complex of parliamentary [illegible] is being built, in spite [illegible] German government's plans *to* [illegible] *Berlin by* [illegible] *of* the century.

Now the [illegible] hole [illegible] have become a [illegible] pit.

The foundations of [illegible] DM800m [illegible] complex have been [illegible] by floods [illegible] swept the [illegible] of the [illegible] Christmas. According [illegible] reports confirmed by [illegible] construction ministry, [illegible] the floor [illegible] the building by 70cm, and [illegible] to appear in the [illegible] piling.

The Bundestag's budget committee called a [illegible] building programme yesterday and questioned why it [illegible] to [illegible] ahead at all.

Mrs Irmgard [illegible], the construction [illegible] responsi[illegible] for the move to [illegible], has sacked [illegible] chief building inspec[illegible] failing to keep [illegible] informed, but now faces [illegible] own resignation.

All this has come [illegible] eve [illegible] negotiations between [illegible] Helmut Kohl, the leaders of the main political parties and the mayors of Bonn and Berlin, [illegible] decide when and how the big move should [illegible] place.

At their meeting tomorrow they also [illegible] to settle the most important question of all: [illegible] much the move will cost. Mr Theo Waigel, the finance minister, [illegible] desperate [illegible] contain a swelling budget deficit, told a [illegible] meeting on Tuesday that the costs [illegible] moving must be kept [illegible] DM20bn – compared with earlier [illegible] of up [illegible] DM30bn.

Ms Ingrid Matthäus-Maier, deputy [illegible] Dem[illegible] in the Bundestag and a [illegible] opponent [illegible] Berlin, called [illegible] a 10-year delay in the [illegible], *saying the figures had been* "massaged".

Sinn Féin dashes hopes of an early end to Ulster violence

By Tim Coone in Dublin and David [illegible] in [illegible]

Sinn Féin yesterday dashed hopes of an early end to violence in Northern [illegible] by saying it *would make* [illegible] *formal response* [illegible] Downing Street Declaration until [illegible] least [illegible] end of February.

Mr Tom Hartley, [illegible] national chairman [illegible] the IRA's political wing, said in Dublin a response would come only after Sinn Féin's so-called "peace commission" [illegible] completed a series of public debates and consultations on the [illegible] process in both parts [illegible] Ireland. This would take place over the [illegible] six weeks.

The statement came as a visit [illegible] the province by Mr Malcolm Rifkind, defence secretary, coincided with a fresh upsurge in terrorist violence.

A woman [illegible] seriously injured [illegible] a republican area [illegible] north Belfast. But [illegible] returned fire, arresting two men.

Separately, the IRA said it had "made a joke" of the "colossal *sums" spent by the government* [illegible] Crown force vehicles by updating [illegible] armour-piercing weaponry. This followed a rocket attack in [illegible] on Tuesday night which [illegible] three policemen injured.

Mr Rifkind, who was meeting security [illegible] and soldiers, used the visit [illegible] hint that the number of troops there could [illegible] cut if the IRA responded positively [illegible] UK-Irish declaration. "Obviously, if there [illegible] in Northern Ireland it would have very impor[illegible] implications for the security force presence which [illegible] needed," Mr Rifkind said.

Sinn Féin said the first public [illegible] under [illegible] process would [illegible] held in Londonderry [illegible] January 28. It would be followed by three others in [illegible] Republic [illegible] to February 19.

Mr [illegible] *Doherty, Sinn Féin's* vice-president, said [illegible] "numerous groups" had requested meetings with [illegible] party, including Protestant organisations in [illegible] Ireland. He said a second round [illegible] meetings might follow [illegible] public debates.

This "external consultation" [illegible] Sinn Féin [illegible] it, [illegible] to [illegible] place in parallel with a series [illegible] internal party debates.

Mr Hartley [illegible] that Mr Gerry Adams, [illegible] party president, had written to both [illegible] British [illegible] Irish prime [illegible] for "clarifications". Downing Street said yesterday [illegible] not yet [illegible] respond.

THE LEX COLUMN

Right rate for the jobs

December's sharp fall in unemployment will doubtless encourage the UK chancellor to err on [illegible] side of caution [illegible] interest rates, a point rammed home by Mr Anthony Nelson, economic secretary [illegible] the Treasury. [illegible] the sharp rise in UK equities since [illegible] budget has been [illegible] by hopes of an early cut in rates, yesterday's 42-point fall in the FT-SE 100 index [illegible] understandable – although it seems [illegible] that [illegible] should [illegible] fright [illegible] recovery. The foreign exchange market got the [illegible] well before Mr Nelson's [illegible] with sterling rising to its high[illegible] level against the D-Mark since [illegible] ERM [illegible] September [illegible]

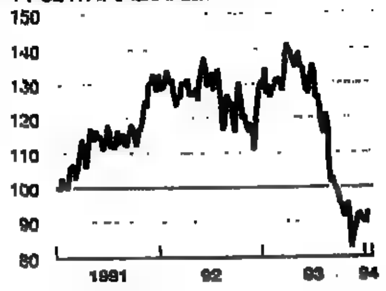
Sterling's strength may eventually [illegible] a policy dilemma. The unemployment figures show [illegible] manufacturers [illegible] still shedding labour. That may [illegible] a secular [illegible] beyond [illegible] control of *government,* [illegible] *manufacturing out*put has also [illegible] recovery. If industry [illegible] in danger of being priced [illegible] export markets too, [illegible] pressure [illegible] corrective [illegible] would [illegible] great. But that point [illegible] way off. Sterling is still well [illegible] D-Mark exchange rate [illegible] prevailed [illegible] ERM crisis, while its appreciation on a *trade-weighted* [illegible] *much* [illegible] pronounced.

An early interest [illegible] cut designed to [illegible] sterling down could also backfire. [illegible] international [illegible] managers [illegible] buying sterling for the UK's growth prospects, [illegible] pound might actually rise. That amounts to another *argument for caution on monetary pol*icy, at [illegible] until [illegible] increases [illegible] bite in April. How [illegible] economy will [illegible] point remains difficult [illegible] predict. [illegible] employment growth concentrated in poorly-paid service sector jobs, though, lower unemployment promises only a limited offsetting benefit [illegible] personal disposable income.

FT-SE Index: 3372.0 (-41.8)

First [illegible]

Share price relative to the *FT-SE-A All-Share Index*



Source: FT Graphite

BP

BP [illegible] flagged [illegible] intention to move [illegible] the petrochemicals business well in advance. The company played a leading role in [illegible] year's failed attempts to co-ordinate cuts in European ethyl*ene production capacity, but had* equally [illegible] clear that [illegible] would [illegible] unilaterally if necessary. The [illegible] Bay's ethylene cracker [illegible] sensible given the plant's high production costs. Nor [illegible] BP ceding much to competitors by moving alone, since [illegible] Baglan capacity [illegible] been effectively replaced by lower [illegible] production at Grangemouth. [illegible] producers will have [illegible] their own [illegible] *they* [illegible] *edge back towards* profitability.

Taking a [illegible] charge in [illegible] 1993 figures allows BP to do a good deal [illegible] than simply close [illegible] Baglan cracker. It should finance [illegible] restructuring for [illegible] company to [illegible] its [illegible] cent rate of return target for the chemicals business [illegible] year. It also usefully trims profits in [illegible], [illegible] the company [illegible] well, [illegible] gives it a fighting [illegible] of improving earnings this year, despite [illegible] current weakness in [illegible] crude oil price.

That helps [illegible] remain flexible [illegible] its dividend. Until the crude price fell in December, the company had been *expected to* [illegible] whether [illegible] start increasing the payment in [illegible] half of the year. [illegible] it can choose whether [illegible] argue that difficult upstream and downstream conditions require caution, or that earnings have returned [illegible] a stable upward path which permits a [illegible] rise. [illegible] way, a [illegible] of options looks badly needed in conditions tougher [illegible] any conceived when Mr [illegible] Horton quit the chair 18 months ago.

First Leisure

After First Leisure's [illegible] fell nearly 40 per cent [illegible] May and *November* [illegible] year, the [illegible] be forgiven [illegible] being [illegible] about [illegible]terday's full-year results. In fact, though margins have fallen, they are still [illegible] than respectable, ranging [illegible] per [illegible] in bowling. Despite a [illegible] on property, [illegible]ing is only 13 per cent, making First Leisure a picture of [illegible] compared with companies such [illegible]. Still, the company has had to make price concessions to keep admissions [illegible] in discotheques. Without the benefit of substantial discounts from [illegible] beer suppliers, margins would certainly have fallen yet more steeply.

A main worry [illegible] *that* bowling, which still [illegible] for [illegible] per cent [illegible] operating profits and on which the [illegible] its name, may simply not [illegible] so fashionable any more. This [illegible] borne out both by the company's admission that it may have pushed margins too hard at the height [illegible] the bowling boom in [illegible] and by [illegible] attempts [illegible] stimulate additional inter[illegible] with trendy extras in [illegible] bowling facilities, [illegible] Sega [illegible].

The decision to branch out more [illegible] simultaneously into both bingo [illegible] health clubs [illegible] the company [illegible] groping for new [illegible] of growth. Both [illegible] be adapted [illegible] the out-of-town formula which proved [illegible] in bowling, but bingo [illegible] a [illegible]petitive market and health clubs are expensive to maintain. While [illegible] jury remains out, [illegible] Leisure looks more comfortable on a rating slightly above the market rather than at the [illegible] premium [illegible] which [illegible] peaked [illegible] year.

Rémy-Cointreau

[illegible] International's [illegible] of a 21 [illegible] profit gain for 1993 [illegible] Rémy Cointreau's 24 per [illegible] in interim net profits suggests the French [illegible] their [illegible] for the [illegible] things [illegible] life, despite recession. [illegible] does [illegible] reflect [illegible] whole picture. The premium drinks [illegible] continued [illegible] tough markets in northern Europe and Japan and showed a [illegible] modest [illegible] per [illegible] improvement at [illegible] operating level.

Rémy has [illegible] to win market share [illegible] started to [illegible] Cointreau's dispiriting 10-year sales decline. [illegible] was good export gains in south-east Asia that chiefly enabled Rémy to [illegible] forward. Rémy's patience in creating a strong distribution network in China is reaping rewards and [illegible] is now well-placed [illegible] push additional [illegible]. The other good news is that the champagne cycle seems to [illegible] with [illegible] prices having [illegible] FFr20.5 [illegible] FFr32 [illegible] years ago. Due to the lags in the cycle, champagne producers are still [illegible]ing from expensive [illegible] cheap [illegible] prices. But both cycles should now start unwinding [illegible], leading [illegible] a fair margin recovery by 1997.

This announcement [illegible] as a [illegible] of record only.

New Issue

December, [illegible]

U.S.$100,000,000

LANDESBANK RHEINLAND-PFALZ

Landesbank Rheinland-Pfalz -Girozentrale-

(Incorporated under Public Law [illegible] Federal Republic of Germany)

Subordinated Collared Floating Rate Notes due 2005

Issue Price: 99.50 per cent.

Merrill Lynch International Limited

Credit Lyonnais Euro-Securities Ltd

Kidder, Peabody International Limited

Lehman Brothers

Samuel Montagu & Co. Limited

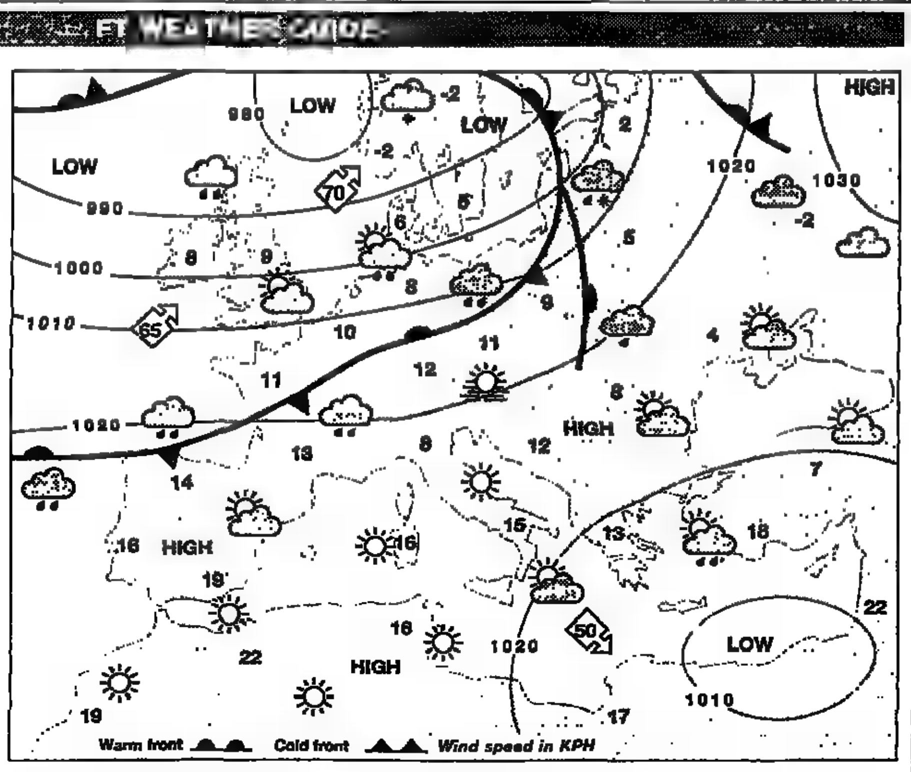
Morgan Stanley International

Sanwa International plc

FT WEATHER GUIDE

Europe today

Windy conditions with [illegible] showers will [illegible] the [illegible] Isles, Benelux, north[illegible] and Denmark. [illegible] and Norway will have [illegible] with [illegible] frost, but temperatures in southern parts will [illegible] freezing [illegible] rain and sleet. [illegible] of rain will [illegible] north-west Spain, France [illegible] Germany, extending [illegible] north[illegible]. Further [illegible] will [illegible] mainly sunny. [illegible] fog will persist in valleys in [illegible] Alps and northern [illegible]. [illegible] Italy will [illegible] mainly dry [illegible] sunny periods. [illegible] will [illegible].



Five-day forecast

[illegible] and rain will gradually [illegible] south, but should not cross the Alps and Pyrenees until Sunday. [illegible] will stay sunny and mild. Northern [illegible] Europe will continue [illegible] with [illegible] and [illegible] which will turn wintry. Temperatures will drop with widespread [illegible] overnight.

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands.

TODAY'S TEMPERATURES

	[illegible]		[illegible]	shower	6	[illegible]	windy	9	Frankfurt	rain	[illegible]	[illegible]	shower	15	Rio	rain	26
	Celsius		Belgrade	sun	12	Chicago	snow	-7	Geneva	cloudy	6	[illegible]	shower	8	Riyadh	[illegible]	23
Abu Dhabi	sun	[illegible]	[illegible]	shower	10	Cologne	fair	10	Gibraltar	sun	19	[illegible]	cloudy	29	Rome	[illegible]	16
Accra	fair	32	[illegible]	cloudy	24	D'[illegible]	fair	31	Glasgow	[illegible]	6	[illegible]	fair	24	S. Frsco	sun	18
Algiers	fair	[illegible]	Bogota	shower	19	Dakar	sun	25	Hamburg	shower	8	[illegible] City	sun	20	Seoul	cloudy	0
Amsterdam	fair	9	Bombay	fair	32	Dallas	sun	17	Helsinki	sleet	[illegible]	Miami	fair	26	Singapore	[illegible]	31
Athens	shower	13	Brussels	fair	10	Delhi	cloudy	18	Hong Kong	cloudy	19	Milan	hazy	9	[illegible]	cloudy	3
B. Aires	fair	31	Budapest	hazy	5	Dubai	sun	25	Honolulu	[illegible]	27	[illegible]	snow	[illegible]	Strasbourg	rain	14
B.ham	shower	9	C.hagen	shower	6	Dublin	shower	8	Istanbul	cloudy	13	[illegible]	snow	-2	Sydney	[illegible]	35
Bangkok	fair	35	Cairo	fair	22	Dubrovnik	fair	17	Jersey	[illegible]	11	[illegible]	cloudy	[illegible]	Tangier	[illegible]	19
Barcelona	fair	16	Cape Town	rain	20	Edinburgh	shower	6	Karachi	sun	[illegible]	Nairobi	[illegible]	[illegible]	Tel [illegible]	[illegible]	21
Beijing	fair	0	Caracas	cloudy	28	Faro	sun	18	Kuwait	[illegible]	22	Naples	sun	[illegible]	Tokyo	rain	10
									L. Angeles	[illegible]	26	[illegible]	[illegible]	27	[illegible]	snow	-4
									[illegible]	[illegible]	22	[illegible]	sun	5	Tunis	[illegible]	16
									Lima	[illegible]	26	Nice	fair	12	[illegible]	fair	12
									Lisbon	[illegible]	15	[illegible]	fair	17	[illegible]	fair	9
									London	fair	10	Oslo	sleet	2	Vienna	hazy	7
									Lux.bourg	[illegible]	10	[illegible]	rain	11	[illegible]	[illegible]	9
									Lyon	cloudy	6	[illegible]	[illegible]	29	Washington	fair	7
									Madeira	cloudy	[illegible]	Prague	[illegible]	11	Wellington	fair	21
									Madrid	[illegible]	[illegible]	Rangoon	[illegible]	[illegible]	Winnipeg	[illegible]	-27
									Majorca	sun	18	[illegible]	[illegible]	2	[illegible]	fair	12

Our [illegible] starts [illegible] before takeoff.
Lufthansa
German Airlines

FINANCIAL TIMES
COMPANIES & MARKETS

©THE FINANCIAL TIMES LIMITED 1994

Thursday January 13 1994

COWIE Interleasing
CONTRACT HIRE
SELL AND LEASE BACK
CONTRACT PURCHASE
NORTH 091 510 0494
CENTRAL 0345 585840
SCOTLAND 0738 25031

Alcatel shares fall on forecast of tough year

By John [redacted]

Shares in Alcatel-Alsthom fell more than 12 per cent yesterday [redacted] engineering, transport and telecommunications [redacted] warned [redacted] lower [redacted] and net profits [redacted] year. The shares lost FFr110 to [redacted] at FFr792.

Mr [redacted] Suard, [redacted] not specify the [redacted] expected decline, but [redacted] profits would fall [redacted] confirmed [redacted] profits last [redacted] would [redacted] in [redacted] when [redacted] achieved [redacted] ($1.2bn).

Analysts in Paris, however, expected [redacted] profits [redacted] more [redacted] 10 [redacted] from [redacted] FFr7bn [redacted] most [redacted] for [redacted] They [redacted] previously anticipated [redacted] rise [redacted] cent in [redacted] profits this year.

The sharp [redacted] in [redacted] was [redacted] fact [redacted] has previously [redacted] of European recession, having increased profits every year [redacted] 1986.

In [redacted] interview [redacted] Les Echos, the French financial daily, Mr [redacted] blamed [redacted] expected [redacted] in profits on [redacted] deterioration in some of [redacted] group's [redacted] telecommunications markets [redacted] past few months. [redacted] conditions in Germany, Italy and Spain [redacted] particularly difficult. The economic downturn in Europe had been exacerbated by [redacted] "unilateral opening of the Euro[redacted]" and [redacted] other developed economies [redacted]pt similar [redacted]

"The ongoing problems in mature markets, especially Germany, Italy [redacted] Spain mean that [redacted] will [redacted] a difficult year," said Mr Andrew Haskins, electronics industry analyst at James Capel in London. But he [redacted] that Alcatel-Alsthom remained in [redacted] strong position [redacted] benefit [redacted] introduction [redacted] telecommunications technologies, [redacted] as [redacted] transmission.

In spite [redacted] pessimistic predictions, Mr [redacted] emphasised [redacted] strengths [redacted] prospects [redacted] expansion. He said Alcatel [redacted] in diversifying its markets [redacted] combined European subsid[redacted] the group [redacted] increased [redacted] exports by 30 [redacted] last [redacted] them again by about [redacted] this year.

The international telecommun[redacted] industry, [redacted] said, continued [redacted] experience rapid growth, and [redacted] was [redacted] potential [redacted] as [redacted] transmission, mobile communications, [redacted] interactive television. Mr [redacted] that [redacted] planned to compete [redacted] third radio-telephone [redacted] to be awarded by the French government.

Champagne sales push up results at Rémy Cointreau

By Philip Rawstorne in London

[redacted] Cointreau, the [redacted] drinks group, yesterday invigo[redacted] the international [redacted] industry with [redacted] 24 per cent [redacted] in net profits [redacted] September 30 [redacted] FFr129m ($21.8m) from FFr103.8m.

In spite [redacted] slower growth in the third quarter – mainly because of tax changes in China – turnover for the nine months to December rose 6.2 per cent to FFr4.67bn, led by [redacted] sales.

Mr [redacted] Dubreuil, joint managing director, [redacted] optimistic [redacted] full-year [redacted] will [redacted] an improve[redacted] previous [redacted] quarter generally [redacted] the impact [redacted] in south[redacted] markets, particularly [redacted] Chinese new year."

First-half operating profits rose to FFr357.7m from FFr327.7m on [redacted] 12 [redacted]

Growth [redacted] in all [redacted]tors [redacted] champagne – Piper Heidseck, [redacted] and Krug – for the [redacted] months totalled FFr556.7m, against FFr510.3m, with a [redacted] per [redacted] increase in exports [redacted] the UK leading a worldwide recovery.

Prices were maintained and margins would improve [redacted] the effects of cheaper [redacted] through [redacted] said Mr Dubreuil.

Cognac sales to end-December rose [redacted] per cent [redacted] FFr1.98bn, in spite [redacted] temporary lull in shipments to China after tax changes in [redacted]

With growth in [redacted] leading markets, Rémy has increased its market share [redacted] cent and overtaken Martell as number two in [redacted]

Liqueurs and spirits turnover rose 5.4 per cent to FFr1.3bn. [redacted] Cointreau [redacted] after a 10-year decline.

The alliance [redacted] Highland Distilleries, the Scotch whisky group, continued [redacted] prosper. Overall, whisky [redacted] 24 per [redacted] ahead and Rémy [redacted] handles more than half of Famous Grouse exports.

Lex, [redacted] 14

France to sell off nuclear power group

By John Ridding in Paris

Mr Gérard Longuet, the French industry minister, said yesterday that the government had launched the process [redacted] privatising Framatome, [redacted] nuclear power station group.

Framatome, which [redacted] has activities in computer services and electronic components, is not on the list [redacted] publicly-owned groups which the centre-right government has slated [redacted] privatisation. It will be [redacted] through a limited tender [redacted]

[redacted] at the French economy ministry said the govern[redacted] has instructed the privatisation commission, an independent agency which [redacted] it on the sale [redacted] public sector companies, [redacted] its 51 per cent stake in Framatome.

The likely [redacted] take a controlling stake [redacted] the group include Alcatel-Alsthom, [redacted] engineering, transport and [redacted]munications group, which already [redacted] 44 per [redacted] of [redacted]

Mr Pierre Suard, chairman [redacted] Alcatel-Alsthom, [redacted] of his [redacted] to take [redacted]trol [redacted] He believes [redacted] groups would complement each other, with Framatome's strength in [redacted] construction of nuclear power [redacted] combining with Alcatel-Alsthom's presence in conventional power generation.

In 1990, Alcatel-Alsthom briefly managed [redacted] acquire [redacted] majority [redacted] in Framatome, raising [redacted] per [redacted] to [redacted] per [redacted] the [redacted] government of Mr Michel [redacted] forced Alcatel to reduce its shareholding.

Framatome was formed in [redacted] design [redacted] build light pressur[redacted] nuclear components. It has since diversified [redacted] expanded [redacted] more than FFr12bn a year. In 1992, the [redacted] year [redacted] which figures [redacted] available, it reported net profits of FFr900m.

[redacted] Longuet [redacted] plans [redacted] being [redacted] to [redacted] an [redacted] Pechiney, the aluminium group, and Compagnie Nationale du Rhône, the hydro-electricity generator. The alliance [redacted] at providing Pechiney [redacted] a relatively cheap [redacted] render the group more attractive in [redacted] forthcoming privatisation.

Mr Longuet [redacted] confirmed [redacted] government's plans to privatise Renault, the state-owned [redacted] vehicle group, later this year. [redacted] timetable for [redacted] pri[redacted] had been thrown into doubt by [redacted] collapse of [redacted] planned merger with Volvo [redacted] Sweden, but [redacted] government officials [redacted] they still [redacted] to privatise [redacted] quickly as possible.

Michael Jordan's aims have met with scepticism, writes **Richard Waters**

Westinghouse chairman shows his hand

Mr Michael Jordan has one of the [redacted] enviable jobs in [redacted] industry. Westinghouse Electric, the struggling conglomerate [redacted] was brought into six months [redacted] salvage, [redacted] still suffering [redacted] the financial trauma wrought by losses of [redacted] sustained in [redacted] disastrous [redacted] into financial services in the late 1980s.

Many [redacted] – led by power systems and defence electronics – [redacted] low growth and weakening profit margins. [redacted] shares are languishing [redacted] a third of their level of four years [redacted]

Now, after six months [redacted] chairman and chief executive of the Pittsburgh-based [redacted] Mr Jordan has decided to show his hand. The former senior Pepsi executive [redacted] one-time McKinsey consultant has this week unveiled pre-tax charges [redacted] $750m [redacted] after tax) to [redacted] restructuring and lay-offs, [redacted] well [redacted] further [redacted] write-down in [redacted] group's equity to [redacted] other one-off items.

Mr Jordan's plan involves tackling [redacted] groups' [redacted] drag [redacted] fronts. It [redacted] simultaneously restructuring the group's [redacted] businesses and raising new capital [redacted] finance growth in markets where, he admits, the profit potential [redacted] into the future. The reaction of [redacted] Street, which [redacted] down the company's [redacted] price again yesterday [redacted] $13¼, down [redacted] this week, suggests [redacted] will be a [redacted] order to fill.

Attempts [redacted] extricate itself from the troubles of [redacted] past have eaten deep into Westinghouse's capital [redacted] At [redacted] of 1993, shareholders' [redacted] were down to around $1bn, [redacted] Mr Jordan (full [redacted] figures have not yet been published). That is less than half the [redacted] a year before. [redacted] is now on a tight rein from its bankers, [redacted] approval it had to seek [redacted] it [redacted] go [redacted] with the write-downs.

Even [redacted] the latest clean-out, the company still has $5.2bn of debt, though $1.4bn [redacted] this should [redacted] paid [redacted] shortly [redacted] the proceeds from disposals.

Westinghouse [redacted] a growing pension fund [redacted] Under [redacted] and Exchange Commission, Westinghouse [redacted] adopt [redacted] progressively more conservative accounting approach to [redacted] pension fund. These changes have lopped another [redacted] capital base, and forced Westinghouse to issue [redacted] of new shares [redacted] its pension fund to try to stem [redacted] shortfall.

To make matters worse, the group's businesses are generally in low-growth [redacted] and profit margins have been under pressure. And Mr Jordan doesn't even have the luxury of slashing costs [redacted] give [redacted] immediate fillip [redacted] Westinghouse's cash-flow.

Attempts [redacted] restructuring [redacted] the past five years have already reduced the workforce by 20-25 [redacted] to [redacted] in the group's continuing [redacted] is little [redacted] be cut, and [redacted] further gains will have to come from a more far-reaching reorganisation of the [redacted] group's businesses operate. The new Westinghouse boss has set his sights on [redacted] pay-back [redacted] the latest restructuring costs, [redacted] five [redacted] change [redacted] corporate culture which he calls "a throw-[redacted] the 1950s".

Against [redacted] background, Mr Jordan's plans look ambitious. First, he [redacted] attempted [redacted] put all of Westinghouse's past problems behind it. Thus the charges this week, which also include reserves to cover litigation and environmental clean-up costs.

With these changes, [redacted] promised an end to the traditional "annual surprise" which Westinghouse has sprung on [redacted] end [redacted] each year. Last year, environmental services were an "unmitigated disaster", he says. Previously, big losses came from financial [redacted]vices. If Mr Jordan can [redacted] the flow [redacted] news and restructuring charges in future, [redacted] will have [redacted] much to [redacted] the badly dented credibility of Westinghouse's management.

Second, he has [redacted] to limit disposals [redacted] hold on [redacted] range [redacted] businesses, sticking closely [redacted] partial [redacted] plan developed [redacted] November 1992. There [redacted] been one or two changes: [redacted] loss-making [redacted] will [redacted] Westinghouse [redacted] not [redacted] a good enough price [redacted] it, while large parts [redacted] environmental [redacted] are for sale.

However, Mr Jordan [redacted] his [redacted] on a full-scale break-up [redacted] or [redacted] of any of [redacted] he calls its "core" businesses. These include power generation, defence electronics, broadcasting, refrigerated transport services, [redacted] provision of services [redacted] nuclear energy industry.

Third, the Jordan plan envis[redacted] investment and growth. To back this, it plans to issue $500m of preferred [redacted] in [redacted] first half of [redacted] year, which will be converted into ordinary shares [redacted] stage [redacted] the future. "Just [redacted] sit with our hands in [redacted] pockets and wait two years for our bal[redacted] sheet to improve is not an option," he says.

One business targeted for investment is power generation, an operation with sales of $1.5bn in 1992. Westinghouse believes it can benefit from growing demand in Asia, particularly China. Oth[redacted] Thermo King (the refrigerated transport business) and broadcasting. Through [redacted] ownership of broadcast television stations and a group of radio stations, Westinghouse generated operating profits of $160m in 1992 [redacted] of [redacted] and now aims to become the US's biggest radio group.

Mr Jordan also sees prospects [redacted] more modest growth from [redacted] of the group's biggest businesses: defence electronics and energy systems, which between them accounted for $4.2bn of its $9.3bn sales in 1992.

He plans [redacted] attempts to tilt the electronics business to non-defence areas, betting instead that US defence cuts on hardware spending have reached bottom [redacted] that existing projects in which Westinghouse is involved will not be high [redacted] the Pentagon's list of cuts. Also, the nuclear power industry needs services [redacted] improve its facilities and bring down its costs [redacted] be able [redacted] compete with other power producers, says Mr Jordan.

Wall Street's reaction signalled [redacted] disbelief in what was [redacted] ambitious plan. Even before Mr Jordan's public comments, Moody's, the US rating agency, downgraded the group to junk [redacted] status last week. Straining credibility were Mr Jordan's claims that the group could pick itself up from [redacted] current [redacted] and expand aggressively in rapidly-changing markets. Commenting [redacted] changes in broadcasting, for instance, he [redacted] "We have the ability [redacted] a player [redacted] this industry as [redacted] reshapes and consolidates."

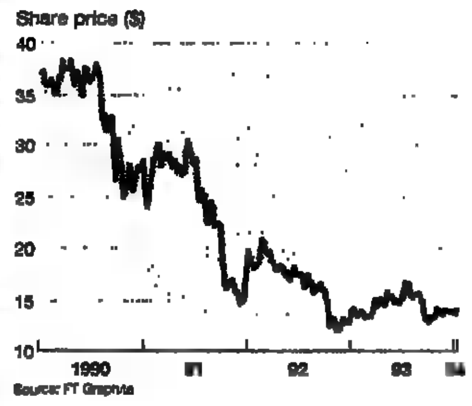
[redacted] analysts would rather see Westinghouse [redacted] broadcast[redacted] unit and [redacted] cash to [redacted] power and electronics.

[redacted] not rule out [redacted] prospect [redacted] and partial sale of [redacted] broadcasting [redacted] the future. For now, though, the division remains central to his plans [redacted] strengthen [redacted] group's cash-flow (operating profits at [redacted] group are projected [redacted] grow [redacted] 10-12 per cent a year in future). If he [redacted] right, then [redacted] earnings will enable the group [redacted] pay down its debt, strengthen [redacted] capital base and emerge with [redacted] broad range of profitable busi[redacted] by [redacted]

But if [redacted] Jordan really has bitten [redacted] more than Westinghouse can chew, then [redacted] is under no illusions about how the market will punish such [redacted] mistake. "The honeymoon [redacted] officially over. It's [redacted] season on CEOs again."

The market's verdict

[redacted]ichael Jordan



Source: FT Graphite

Westinghouse, 1992 ($m)

	Sales	Operating profit/loss
Broadcasting	853	160
Defence [redacted]	2,874	256
Environmental systems	643	71
Power generation	1,520	135
Energy systems (nuclear)	1,329	145
Knoll Group	578	(40)
Thermo King	685	104
[redacted] products	842	(17)
Westinghouse [redacted] (property)	235	87
[redacted]	68	(73)

Source: Westinghouse, Salomon Brothers

ICI pulls out of Du Pont joint venture

By [redacted] Hamilton Fazey, North [redacted] England Correspondent

Imperial Chemical Industries, the UK chemicals company, [redacted] pulled out [redacted] IDAC, [redacted] joint venture in Germany with Du Pont, which was [redacted] up in 1988 to enter the $960m European market for paint used in car manufacture.

The venture, which [redacted] Ameri[redacted] chemicals company will continue alone, failed to reach [redacted] 20 per cent market share for which ICI hoped. The price Du Pont [redacted] paying for ICI's [redacted] per [redacted] not being [redacted]

IDAC's annual [redacted] are about DM200m ($115m) [redacted] 12 [redacted]ries, but the squeeze on [redacted] by manufacturers during the recession has damaged profitability.

IDAC's competitive edge [redacted] supposed [redacted] be ICI's revolution[redacted] paint, Aquabase, which [redacted] water [redacted] volatile organic solvents to carry [redacted] paint's pigment and resin. Sol[redacted] from paint shops contribute [redacted] rain as their constituent chemicals [redacted] in sunlight. IDAC's factory will [redacted] its [redacted]

ICI [redacted] now developed Aqua[redacted] technology [redacted] give it [redacted] technological lead in [redacted] repair paints, a [redacted] global [redacted] where the company claims [redacted] be [redacted] world's fifth largest supplier and [redacted] biggest [redacted]

Mr John Hirst, [redacted] of ICI Autocolor, [redacted] would concentrate on developing its [redacted] strong industrial paint businesses, environmentally friendly can coatings and specialised paints [redacted] repair. [redacted] will also [redacted] milk its profitable cash cow of Dulux decorative paints, [redacted] the UK market for architectural coatings.

Paint manufacturers learn [redacted] Page 18

This announcement appears as a matter of record only

ZARAFSHAN – NEWMONT
Joint Venture

MURUNTAU HEAP LEACH PROJECT, ZARAFSHAN, UZBEKISTAN

US $105 million
LIMITED RECOURSE PROJECT LOAN

JOINT ARRANGERS
European Bank for Reconstruction and Development
Barclay Mining Finance

FUNDS PROVIDED BY
European Bank for Reconstruction and Development
Bayerische Vereinsbank AG
The Chase Manhattan Bank, N.A.
Republic Mase Bank Limited
Chemical Bank
Barclays Bank PLC
BHF - Bank
Credit Lyonnais
Credit Suisse
Dresdner Bank AG
N M Rothschild & Sons Limited
Union Bank of Switzerland
TECHNICAL AGENT
Swiss Bank Corporation
Bank Austria (Switzerland) Limited

European Bank for Reconstruction and Development
BARCLAYS SYNDICATIONS

November 1993

Banco Popular profits climb 7% to Pta58bn

By Tom Burns in Madrid

Banco Popular, the Spanish bank more than 50 [illegible] cent-owned by non-Spanish institutional investors, yesterday reported net profits [illegible] Pta58bn ($401.5m) last [illegible] [illegible] 7.3 per cent on [illegible]

The results pleased analysts, who noted that Popular, which has high liquidity [illegible] is an important lender to small and medium-sized businesses, was particularly exposed last year to Spain's sharply falling interbank [illegible] the enduring recession.

The profits, however, continued the downward trend [illegible] last year when Popular posted [illegible] income rise of 9.6 per cent against an increase of 15 [illegible] cent in 1991.

The tightened margins, as interbank rates fell from 15 per [illegible] per cent [illegible] year, [illegible] partly responsible for pushing Popular's return on equity down from 27.77 in 1992 [illegible] in [illegible] control by the bank, together with [illegible] domestic [illegible] held growth in [illegible] and [illegible] counts [illegible] the [illegible] end to just 1.5 per cent.

Popular's non-performing loans were up [illegible] per [illegible] to Pta55bn, against [illegible] rise of [illegible] per [illegible] in [illegible] They represented 2.9 per cent of total lending, [illegible] proportion which [illegible] well under half what is estimated for the domestic banking [illegible] whole. Coverage of non-performing loans [illegible] over the [illegible] datory requirements [illegible] by the Bank of Spain, against 110.1 per cent in [illegible] However, coverage [illegible] balances, which includes mortgage values, was raised from 82.6 per cent in [illegible] to up to [illegible] per [illegible] last year.

Popular will pay a dividend of [illegible] per share, up from Pta730 in [illegible] The payout represents 42.3 per [illegible] of the [illegible] income per share, well below the [illegible] that [illegible] normal among other big Spanish banks.

Lisbon studies Banesto link

By Peter [illegible] and David Marsh in Lisbon

Mr Anibal Cavaco Silva, the Portuguese prime minister, said yesterday that Lisbon authorities [illegible] investigating the possibility that Banesto, the troubled Spanish bank, may have acted illegally in acquiring its holding in Banco Totta [illegible] Acores (BTA), Portugal's leading private bank.

Banesto's former chairman, Mr [illegible] Conde, implicitly recognised that the Spanish bank might have contravened [illegible] Portuguese law limiting foreign ownership of BTA [illegible] per cent, when he said on Tuesday that [illegible] controlled [illegible] 50 per cent of [illegible] Portuguese institution. [illegible] about half the equity was held directly and the remainder indirectly.

Mr Cavaco Silva [illegible] Banesto would be required to reduce its shareholding in BTA if the authorities found that Banesto had infringed Portugal's investment regulations.

Mr Conde [illegible] ousted from Banesto's board when [illegible] Bank of Spain [illegible] told a press conference this [illegible] that the Spanish bank planned [illegible] sell [illegible] in BTA in the first half of this year to [illegible] badly-needed [illegible] However, he expected [illegible] to remain BTA's controlling shareholder.

The new management appointed by the [illegible] of Spain [illegible] run [illegible] after the intervention has yet [illegible] report on [illegible] future strategy. However, it is likely [illegible] disposal of [illegible] shareholding, along [illegible] mapped out by Mr Conde, will [illegible] high on its agenda. Banesto officially holds 22.4 per cent of the bank's [illegible] stock, part of which is held indirectly through Valores Ibéricos, [illegible] Portuguese corporation in which [illegible] per cent stake.

However, [illegible] built up indirect holdings.

Resignation at waste group

Shares in Shanks [illegible] sharply yesterday [illegible] the Glasgow-based waste contractor issued another profits warning, instigated an urgent strategic review and announced that its chief [illegible] tive, Mr Roger Hewitt, had left the group following [illegible] disagreement on future policy, writes Paul Taylor in London.

The shares, which have dropped from a peak of 237p last January, closed 15p lower yesterday at 97p after the group warned that it still faced difficult trading conditions.

First Leisure ahead 2.3%

By [illegible] Skapinker, [illegible] Correspondent

First Leisure, the UK discotheques, bowling and tourist attractions group, yesterday provided further evidence of the tight grip [illegible] keeping on their wallets when it announced pre-tax profits up 2.3 per cent [illegible] £31.8m ($47.4m) on turnover up 12.3 per cent to £121.8m.

Mr John Conlan, chief executive, said that while admissions [illegible] stable or ahead, spending per head had not.

[illegible] only [illegible] show a profits increase was discotheques. Operating profits were £14.5m, compared with £12.5m [illegible] year. Turnover [illegible] £44.5m, compared with £38.2m in 1992.

Mr Conlan said discotheques [illegible] the first part of the group's business [illegible] affected by the recession and were the first to recover.

Profits from the group's resorts fell to £11.7m from £12.3m on turnover of £41.9m, up from £40.1m. The group said resorts outside Blackpool performed well.

Lex, [illegible] 14

Fiat and Peugeot unveil range of vehicles

By [illegible] in [illegible]

[illegible] and Peugeot [illegible] yesterday unveiled a new [illegible] of jointly-developed [illegible] they [illegible] invested some $1.5bn. They [illegible] to capture a larger share [illegible] European van market [illegible] attack, for [illegible] first time, Europe's rapidly-growing multi-passenger vehicle [illegible] sector.

The [illegible] vehicle [illegible] have involved an [illegible] of L1,234bn [illegible] Sevel [illegible] joint venture plant, which [illegible] came on [illegible] at [illegible] Sangro in Italy's [illegible] giorno [illegible] years ago, [illegible] FFr6.04bn in Sevel Nord, [illegible] facility [illegible] build the MPV, [illegible] Valenciennes, [illegible] will employ 3,200 people.

Sevel [illegible] up in 1978 with Fiat holding [illegible] 50 per cent [illegible] through [illegible] Peugeot [illegible] Citroën [illegible]

[illegible] projects have [illegible] production capacity of [illegible] year, of [illegible] is for the [illegible] annual capacity at [illegible] plant represents an increase [illegible] 800 units a day [illegible] 550-a-day capacity limit [illegible] van models.

[illegible] projects represent [illegible] the most complex [illegible] extensive collaborative projects [illegible] between [illegible] European [illegible] makers.

The [illegible] alone were said [illegible] yesterday's [illegible] to [illegible] body configurations, [illegible] three [illegible] vehicle heights. As [illegible] original [illegible] project, they [illegible] marketed [illegible] Fiat, Peugeot and [illegible] badges – [illegible] the Ducato, Boxer [illegible] Jumper respectively, except [illegible] the UK where the Citroën version will [illegible] known as [illegible] Relay.

The MPV is to be sold [illegible] Lancia [illegible] Fiat, Peugeot and Citroën badges, although names are not being revealed until the vehicles' [illegible] in [illegible] spring.

The new MPV is entering one of the [illegible] European vehicle market [illegible] to enjoy growth last year.

Euro Disney's week of reckoning

Rescue negotiations are at a delicate stage, writes Alice Rawsthorn

If all goes well, a team of auditors at KPMG Peat Marwick in Paris should [illegible] week put the finishing touches to a preliminary report on [illegible] financial condition of [illegible] Disney, [illegible] stricken leisure [illegible] struggling [illegible] avert bankruptcy.

The report will [illegible] distributed [illegible] the 60 international [illegible] that [illegible] Disney's FFr20.3bn ($3.43bn) [illegible] debt. The banks [illegible] expected [illegible] spend [illegible] scrutinising the report in [illegible] hope of [illegible] this month starting full-scale negotiations [illegible] package [illegible] Euro Disney [illegible] Walt Disney, [illegible] US parent [illegible]

The critical question [illegible] the [illegible] sides prepare for [illegible] final stage of negotiations is [illegible] they will [illegible] Euro Disney and [illegible] Euro-Disneyland theme park from closure.

[illegible] Disney's position [illegible] clear. [illegible] by [illegible] crippled by debt, [illegible] in the year to September 30. It has repeatedly [illegible] running [illegible] of cash. When [illegible] happens, the US [illegible] promised [illegible] keep EuroDisneyland going – but only until March 31.

[illegible] banks have [illegible] agreed [illegible] by then, Disney will pull [illegible] plug. [illegible] Disney would [illegible] up, leaving the [illegible] write [illegible] their loans.

Disney, advised by Lazard Frères in New York, has already suggested a solution. It [illegible] a November meeting in Paris to accept proposals to halve Euro Disney's [illegible] through [illegible] FFr5bn rights issue and [illegible] debt-for-equity swap. It [illegible] also [illegible] Depôts, the state financial institution that holds Euro Disney's FFr4.8bn fixed interest [illegible] debt, to [illegible] the rate payable from [illegible] present 7.8 [illegible]

[illegible] Winnington-Ingram, an analyst at Morgan Stanley in London, calculates that such a package would "reduce [illegible] Disney's [illegible] in the [illegible] financial years" and [illegible] it to produce "a very small profit" in [illegible]

Walt Disney [illegible] doubtless gambling [illegible] enough leverage over [illegible] persuade them [illegible] agree. The French government, which [illegible] 10,000 jobs [illegible] EuroDisneyland at [illegible] rising unemployment, could use [illegible] persuade [illegible] Depôts [illegible] other French creditors – including Banque [illegible] Paris, Indosuez and Crédit Agricole – to accept.

Disney [illegible] try [illegible] US [illegible] such [illegible] J. P. [illegible] and [illegible] It [illegible] considerable clout [illegible] US banking circles, [illegible] policy of holding "beauty contests" [illegible] its [illegible] rather [illegible] retaining [illegible] house bank. If [illegible] French and US creditors said "yes", Disney could [illegible] reasonably hopeful that the remaining Japanese, German and UK [illegible] (which hold a [illegible] chunk of the total [illegible] would fall into line.

The hitch is [illegible] the banks are anxious to minimise their [illegible] by ensuring that Disney [illegible] involved with the res[illegible] "Disney got [illegible] into [illegible] mess and, frankly, it's going to [illegible] bear its [illegible] of [illegible] pain," said one banker involved with the negotiations.

Disney would, [illegible] course, be expected to participate fully in the rights [illegible] This would represent an investment of roughly FFr2.45bn [illegible] its 49 per [illegible] stake. However, it would [illegible] to raise its equity [illegible] further because, under US regulations, it would then have to consolidate Euro Disney's [illegible] on to [illegible] own bal[illegible]

H[illegible] Disney might be persuaded to buy assets, such as [illegible] hotels, from Euro Disney, [illegible] influence [illegible] attract [illegible] equity investors. [illegible] York analysts report strong demand for Euro Disney's [illegible] the second-hand market. A FFr130m parcel [illegible] debt [illegible] to [illegible] been [illegible] earlier [illegible] month in London for 60 [illegible] cent [illegible] original value. [illegible] suggests [illegible] in Euro Disney [illegible] investment.

However, the banks are determined to force Disney [illegible] make concessions by reducing its royalty fee on [illegible] Disney's revenue worth FFr263m last year. "It's the [illegible] Disney can do, particularly as it expects us [illegible] take equity," [illegible] one. "The structure of those fees will make a tremendous difference [illegible] Disney's financial [illegible] formance."

The banks may also try to protect their investment by insisting on changes in the management [illegible] EuroDisneyland. They have asked [illegible] review the running of [illegible] park, [illegible] as its finances, [illegible] if Disney's present strategy [illegible] right one.

[illegible] far, Disney's conduct [illegible] negotiations has been anything but conciliatory. [illegible] banker present at the November meeting [illegible] the [illegible] ney [illegible] as "arrogant [illegible] overbearing". "Disney [illegible] to success," said another. "It hasn't [illegible] any experience [illegible] a mess like this. And it shows."

Recent warnings from Disney that [illegible] close EuroDisneyland if the [illegible] fall appear [illegible] have aggravated the situation. "We've gone [illegible] hoping that if we work [illegible] crazy [illegible] the [illegible] few [illegible] we can save [illegible] ney," said [illegible] creditor. "We [illegible] without these threats. Disney's aggressive attitude may [illegible] a negotiating ploy, but I'm not sure [illegible] it's a good one."

Berlusconi dealt blow as Standa chief quits

By Haig Simonian in Milan

By Mr Silvio Berlusconi, [illegible] Italian [illegible] magnate, [illegible] received yet another blow following [illegible] resignation of [illegible] Franchini, managing director of the big Standa retailing group.

Standa, controlled by Mr Berlusconi's Fininvest group, is Italy's second biggest retailer. The company has been gradually [illegible] back [illegible] profitability following its acquisition by [illegible] the late [illegible]

Mr [illegible] joined [illegible] in [illegible] in a complex deal [illegible] acquisition of [illegible] family's regional supermarkets chain. In return, Mr Franchini, who [illegible] a strong reputation in the Italian retailing business, received [illegible] 7 per cent [illegible] in Standa.

This week's split follows differences [illegible] the future [illegible] business.

While [illegible] Franchini wanted [illegible] pursue heavy discounting, along the "no-frills" lines of [illegible] big German groups, [illegible] is believed to have been opposed by Mr Berlusconi [illegible] Mr Giancarlo Foscale, Standa's chairman.

Pakhoed, Lambert Rivière in talks

By Ronald van de Krol in [illegible]

Pakhoed, the Dutch tank storage [illegible] negotiating [illegible] acquire Lambert Rivière, [illegible] French-based [illegible] cal distribution [illegible] with [illegible] market capitalisation of around FFr300m ($50m).

The acquisition [illegible] give Pakhoed access [illegible] chemical warehouses and depots in southern Europe, expanding [illegible] geographical reach. Lambert Rivière, with turnover of FFr1.6bn and a [illegible] of 500 people, is also active in Italy, Spain [illegible] Portugal.

The talks, expected to be completed by [illegible] March, [illegible] being [illegible] with the Halliez family and [illegible] shareholders who together [illegible] of Lambert Rivière's shares. [illegible] said [illegible] would launch [illegible] public offer for [illegible] of the shares [illegible] price [illegible] conditions.

Pakhoed, which [illegible] pursuing the acquisition through its [illegible] company Univar, [illegible] already active in [illegible] distribution in [illegible] Netherlands, Belgium, Sweden, Singapore, [illegible] the [illegible] The group's main activity is oil storage.

January 13, 1994

These Bonds [illegible] sold.
This announcement appears [illegible] a matter [illegible] record only.

MAGYAR NEMZETI BANK

National Bank of Hungary
(Magyar Nemzeti Bank)
Budapest, Republic of Hungary

DM 1,000,000,000
8% Deutsche Mark Bearer Bonds of 1994/2004

COMMERZBANK AKTIENGESELLSCHAFT
BAYERISCHE LANDESBANK GIROZENTRALE
DEUTSCHE BANK AKTIENGESELLSCHAFT
BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT
CENTRAL-EUROPEAN INTERNATIONAL BANK LTD.
DG BANK DEUTSCHE GENOSSENSCHAFTSBANK
DRESDNER BANK AKTIENGESELLSCHAFT
WESTDEUTSCHE LANDESBANK GIROZENTRALE
ABN AMRO BANK (DEUTSCHLAND) AG
BANK BRUSSEL LAMBERT N.V.
BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK [illegible]
CSFB-EFFECTENBANK AKTIENGESELLSCHAFT
DAIWA EUROPE (DEUTSCHLAND) [illegible]
DEUTSCHE APOTHEKER- UND ÄRZTEBANK EG
DEUTSCHE GIROZENTRALE - DEUTSCHE KOMMUNALBANK -
HELABA FRANKFURT LANDESBANK HESSEN-THÜRINGEN
LEHMAN BROTHERS BANKHAUS AKTIENGESELLSCHAFT
MORGAN STANLEY GMBH
NIKKO BANK (DEUTSCHLAND) GMBH
NOMURA BANK (DEUTSCHLAND) GMBH
NORDDEUTSCHE LANDESBANK GIROZENTRALE
SALOMON BROTHERS [illegible]
SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG
SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG
SOCIETE GENERALE - ELSÄSSISCHE BANK [illegible]
VEREINS- UND WESTBANK AKTIENGESELLSCHAFT
YAMAICHI BANK (DEUTSCHLAND) GMBH

Scudder, Stevens & Clark, Inc.

We are pleased to announce the following appointments effective January 1, 1994:

Managing Directors

Maureen F. Allyn
Victoria J. Herget
Robert T. Hoffman
Seung K. Kwak
Peter H. Mattoon
Emily L. Smith
Benjamin W. Thorndike

Principals

Nina S. Anderson
Bruce F. Beaty
Paul J. Benziger, Jr.
Irene T. Cheng
Joyce E. Cornell
Michael J. Curran
James DiBiase
Isabel J. Ford
Marshall S. Glassner
Stephen J. MacNeill
Joan A. Miesen
Kathleen T. Millard
Roberta M. Moore
Kathleen H. Parker
Lee R. Raker
J. Scott Swensen
Karen J. Tracey
William F. Truscott
William J. Wallace

SCUDDER

Boston, Chicago, Cincinnati, Los Angeles, New York, Philadelphia, Portland (OR) and San Francisco
Wholly Owned Subsidiaries: London, Tokyo and Toronto

Daily Gold Fax - free sample
from Chart Analysis Ltd
7 Swallow Street, London W1R 7HD, UK - commodity specialists for over 22 years
ask Anne Whitby
Tel: 071-734 7174
Fax: 071-439 4966
a FIMBRA Member

LOW COST SHARE DEALING SERVICE
081-944 0111

DO YOU WANT TO KNOW A SECRET?
The I.D.S. Gann [illegible] will [illegible] the [illegible] REALLY [illegible] The amazing [illegible] techniques [illegible] the legendary W.D. [illegible] your profits and contain your losses. How? That's the secret. Ring 061 [illegible] 0080 to [illegible] FREE [illegible]

FUTURELINK
fastest, most reliable, cost effective real-time FUTURES, FOREX and NEWS services available via FM within London.
CALL HYETRON ON
071 972 9779
PARIS 01 40 41 93 43

ECU Terminvest PLC
29 Chesham Place
Belgravia
London SW1X 8HL
Tel: +71 245 0088
Fax: +71 235 6599
FUTURES & OPTIONS BROKERS
$32 ROUND TRIP
EXECUTION ONLY

Forex or Futures prices from £49 per month
For 30 second updates [illegible] your Windows PC Screen [illegible] Pocket Financial Monitor [illegible] 444415
QuoteLink from SPRINTEL

Fannie Mae posts record earnings in fourth term

By Patrick Harverson in New York

The Federal National Mortgage Association (Fannie Mae) yesterday reported record fourth quarter profits of $493.6m.

It predicted that the US housing [illegible] would continue its strong [illegible] during 1994 thanks to a healthy [illegible], low [illegible] rates and low inflation.

In [illegible] same quarter [illegible] ago, [illegible] Mae earned $426.4m.

It [illegible] the [illegible] quarter of record earnings [illegible] company, [illegible] is the larg[illegible] of home [illegible] funds in the [illegible]. Full-year 1993 profits reached $1.87bn, [illegible] from $1.62bn [illegible].

The company's fourth quar[illegible] were affected by [illegible] after-tax [illegible] incurred [illegible] of [illegible] at a premium [illegible] repurchase [illegible] high coupon debt. The latest figures, however, [illegible] included $28.3m in pre-payment fees from [illegible] special multi-family loan refinancing programme, and a $15m contribution to [illegible] Fannie [illegible] Foundation.

Mr [illegible] Johnson, Fannie Mae chairman and [illegible] executive, hailed 1993 as an "outstanding" year. He said the company was able to [illegible] a [illegible] families through [illegible] purchases and [illegible]rity [illegible].

Net income rose sharply during the year [illegible] of [illegible] main factors: [illegible] 22 per cent [illegible] in [illegible] mortgage portfolio to $190bn; a [illegible] per cent [illegible] in REMIC (real [illegible] mortgage investment conduits) [illegible] $125.5m; [illegible] an 11 per [illegible] increase in [illegible] balance of outstanding mortgage-backed securities to [illegible].

[illegible] during [illegible], [illegible] number of [illegible] properties acquired by the company [illegible] 20 per cent to 11,557, but the single-family delinquency rate, a key indicator [illegible] credit quality, declined over the [illegible].

[illegible] quarterly and annual results [illegible] no impact upon Fannie Mae's share price [illegible] just [illegible] on [illegible] New York Stock Exchange in early trading.

■ The Student Loan Marketing [illegible] its student loan purchases [illegible] to $6.7bn in [illegible] up $1bn [illegible] reports from Washington.

"That enabled [illegible] to hold our [illegible] of what was a rapidly growing market in [illegible] despite [illegible] interest [illegible] and a [illegible] it [illegible] originating lenders [illegible] retain their loan production," said Mr Lawrence Hough, [illegible] president [illegible] executive.

IBM heads list for US patents

By [illegible]

International Business [illegible] in the number of US patents awarded in 1993, the [illegible] that [illegible] company [illegible].

It [illegible] followed by Toshiba, Canon and [illegible] Kodak, according to IFI/Plenum Data, a market information service.

In 1992, IBM received 842 patents and the top four companies in the [illegible] patent stakes were all Japanese.

IBM began a concerted effort [illegible] the number of [illegible] in [illegible] early [illegible] beginning [illegible] bear fruits, [illegible].

"This ranking [illegible] IBM's continued leadership and [illegible] to innovation and leading-edge technologies," [illegible] Marshall Phelps, IBM vice-president, intellectual property [illegible] licensing ser[illegible].

The IBM patents [illegible] exclusively in [illegible] field [illegible] information processing, with an increase in software-related [illegible].

Examples include several multi-media patents [illegible] well as patents [illegible] folding computer keyboard, [illegible] types of [illegible] storage systems [illegible] environmentally [illegible].

"IBM continues [illegible] believe that [illegible] portfolio of patents [illegible] information processing field," Mr Phelps [illegible].

● IBM said IBM PC [illegible] formed [illegible] unit to [illegible] marketplace.

It [illegible] IBM [illegible] Co [illegible] will [illegible] exclusively on federal products and requirements to [illegible] of federal [illegible].

Tandy to create 3,600 jobs with 30 new stores

By Louise Kehoe in San Francisco

Tandy, the US electronics retailer, is to open 30 new [illegible] this [illegible], creating more [illegible] 3,600 [illegible] US. The company [illegible] increased growth and profitability for [illegible].

Last [illegible], Tandy divested [illegible] manufacturing operations [illegible] retailing. The [illegible]pany [illegible] the largest electronics retailer in the US with around 6,900 stores and dealer fran[illegible].

"Driven by new [illegible] openings and innovative [illegible] ideas, [illegible] should provide excellent [illegible] growth for Tandy," said Mr John [illegible], chairman [illegible] executive.

Tandy's expansion plans reflect strong sales [illegible] personal computers and related products.

The [illegible] opened [illegible] include [illegible] Computer City SuperCenters, which will employ approximately 1,600 people.

In addition, Tandy will open six new Incredible Universe [illegible] superstores, creating [illegible] 1,800 jobs. The company added [illegible] it [illegible] add about 200 employees [illegible] infrastructure [illegible] financial departments.

Tandy recently reported [illegible] per [illegible] in [illegible] retail operations [illegible] $687m for [illegible] month [illegible] December 1993, compared with $581.4m [illegible] month [illegible].

Wall Street brokerage in property link

Smith Barney Shearson, [illegible] Street brokerage house, [illegible] formed [illegible] alliance with Remsen Partners, the property financing group, [illegible] will [illegible] funds for the US commer[illegible] property market, [illegible].

Remsen will arrange mortgages on commercial property funded by Smith [illegible] the brokerage firm will sell [illegible].

The [illegible] said [illegible] had [illegible] than $100m in [illegible], and [illegible]ted the [illegible] generate $1bn in financing before [illegible] end [illegible] the year. [illegible] Smith Barney, owned by Travelers, [illegible] financial services [illegible] the aim [illegible] alliance is to [illegible] its [illegible] in [illegible] large US mortgage-backed securities [illegible] by linking up with [illegible] network [illegible] property owners and mortgage bankers.

Laidlaw shifts focus to core

By Bernard Simon in Toronto

Laidlaw, the Ontario-based [illegible] services and passenger transport operator, [illegible] pursuing a new relationship with ADT, the security and vehicle auction group, and Attwoods, [illegible] UK-based [illegible]tor. The [illegible] is part of a strat[illegible] to focus on its core North American businesses.

Laidlaw is the largest single shareholder in both companies, with 24 per cent of ADT and 35 per cent of Attwoods.

However, Mr Jim Bullock, [illegible] over as [illegible] October, [illegible] yesterday that [illegible] "no [illegible] in Laidlaw being a minority shareholder in companies in which it [illegible] little or no input into the day-to-day management and operation".

Laidlaw has the option of disposing of [illegible] ADT stake [illegible] by tendering the shares to redeem a series of convertible debentures issued last month. Mr Bullock's remarks [illegible] that it will [illegible] a buyer for the ADT [illegible] before then.

Laidlaw will no longer include its share [illegible] ADT earnings in its income statement. The Bermuda-based company contributed $5.7m, or 2 cents [illegible] share, [illegible] Laidlaw's earnings for the three months to November 30.

[illegible] first-quarter earnings slipped to [illegible] 14 [illegible] share, from $48.9m, or [illegible] cents, a year earlier. Revenues rose by [illegible] per cent [illegible] $546.2m.

[illegible] per [illegible] drop in [illegible]ings came despite a [illegible] per cent rise in [illegible] to $546.2m. The setback was blamed on a combination of problems in its hazardous waste business, lower income from equity investments and higher inter[illegible] costs.

Operating income from solid [illegible] and passenger services was little changed. But hazardous [illegible] income tumbled [illegible] $11.4m from $19.3m, and margins from this segment narrowed to 8.8 per cent from 16.1 per cent.

The drop [illegible] due mainly [illegible] disruptions at the flagship Pinewood landfill [illegible] in [illegible] Carolina, and a decline in Canadian business. Pinewood [illegible] expected to return to prior levels of profitability later this year.

Hilton Hotels expects rise of 20% in quarter

Hilton Hotels could record [illegible] net income increase of more than 20 per [illegible] in the fourth quarter ended December 31, despite taking a $12.5m reserve, said Mr Raymond Avansino, president and chief operating officer, AP-DJ reports from Beverly Hills.

The [illegible] hotel and casino company expects to report quarterly net income of 64 to 70 cents a share, or about $30m to $33m, compared with 55 [illegible] a share, or $26.5m, in the year-ago quarter. Revenue is expected [illegible] rise to between $356m and $366m, against [illegible] a year ago. The reserve, about [illegible] share after tax, stems from a loan made to a hotel managed by Hilton.

NEWS DIGEST

Asarco sells Australian unit stake

Asarco, the New York-based integrated copper producer, has sold its remaining 45.3 per cent interest in Asarco Australia, for $79.5m, writes Laurie Morse in Chicago.

After taxes, the company expects to realise $31.9m from the sale.

The company sold a 9.9 per cent interest in the Australian venture in the third quarter for an after-tax gain of $5.4m.

Asarco Australia operates the Wiluna and Jundee gold mines in Western Australia, which in 1992 produced 110,000 troy ounces of gold.

Asarco intends to use the proceeds of the latest sale to reduce corporate debt.

It has [illegible] in [illegible] quarters, pressed by the [illegible] related to [illegible] copper mine and processing [illegible] and by depressed prices for copper and other minerals.

Int'l Paper turns in 15% advance

[illegible] Paper, [illegible] sified US paper, [illegible] and wood [illegible], reported fourth-quarter [illegible] earnings of $100m, [illegible] 81 cents a share, up 15 per [illegible] from $87m, or 71 cents, [illegible] extraordinary charges in [illegible] fourth quarter a [illegible], writes Laurie Morse.

The earnings advance came on strong performances by the company's forest products and specialty products businesses. However, sales for the quarter were flat, [illegible].

Mr John Georges, chairman, said the results continued [illegible] be deflated by [illegible] price [illegible] in [illegible] and packaging products.

Excluding special items, International Paper had earnings [illegible] $314m, [illegible] share, for the full fiscal [illegible] 1993, down [illegible] or [illegible] in 1992.

The [illegible] sales of $13.7bn in [illegible] 1992.

[illegible] de Depôt investments

Quebec's public [illegible] pension fund manager, the Caisse de Depôt, has [illegible] C$108m (US$82m) in a limited partnership managed by New York's Blackstone Group and in [illegible] British Schroder Buy-out Fund III, managed by Schroder Venture, writes Robert Gibbens in Montreal.

[illegible] invests in [illegible] corporate buy-outs, [illegible]ganisations and recapitalisations.

REPUBLIC MASE BANK LIMITED
(A wholly owned subsidiary of Republic National Bank of New York)

International Bullion Bankers
[illegible] the professional market

Twenty-four hour market making in precious metals worldwide
Spot, forward, swaps, options and derivative services
Clearing and depository facilities for financial institutions
Customized financing and hedging for producers and industrial [illegible]

Global Precious [illegible] Centers

Republic [illegible] Bank Limited
[illegible]
Telephone: (071) [illegible] 7801 Telefax: (071) [illegible]
Telex: 884491 [illegible] Dealing: MASL

Republic Mase Hong Kong Limited
Hong Kong
Telephone: (852) 845 4233 Telefax: (852) 845 3227
Telex: 65856 Reuters Dealing: MASK

Republic [illegible] Australia Limited
Sydney
Telephone: (2) 233 [illegible] Telefax: (2) 235 0950
Telex: [illegible] 173965 Reuters Dealing: [illegible]

Republic National Bank [illegible] New York
Republic Mase [illegible] Department
[illegible] York
Telephone (Trading): (212) 221 [illegible] Telefax: (212) 525 6860
(Bullion Banking): [illegible] 525 6481 [illegible] Dealing: RNBA, MASN
Telex: 236927, [illegible], 177641

Regional Precious [illegible] Offices
GENEVA · [illegible] · MONTEVIDEO · [illegible] · PERTH · DENVER

Affiliated / Representative Offices:
NEW YORK · GENEVA · TOKYO · LONDON · ZURICH · LUGANO · LUXEMBOURG · PARIS · MONTE CARLO
GIBRALTAR · MILAN · GUERNSEY · BEIRUT · DENVER · MIAMI · [illegible] · BEVERLY HILLS · NASSAU
CAYMAN ISLANDS · [illegible] · TORONTO · [illegible] · HONG KONG · TAIPEI · JAKARTA · BEIJING · SYDNEY · PERTH
MONTEVIDEO · PUNTA DEL [illegible] · BUENOS AIRES · SANTIAGO · MEXICO CITY · CARACAS · RIO [illegible] JANEIRO

Republic Mase Bank Limited is a [illegible] of SFA

All of these securities having been sold, this announcement appears as a matter of record only

Grupo Televisa, S.A.

Global Equity Offering

13,530,000 Global Depositary Shares
Representing 27,060,000 Ordinary Participation Certificates,
Each of Which Represents Financial Interests in, and Limited
Voting Rights with Respect to, One Series A Share,
One Series L Share and One Dividend Premium Share
and
5,480,000 Ordinary Participation Certificates

Global Coordinator
Goldman, [illegible] & Co.

3,000,000 Global Depositary [illegible]
This portion of the offering was sold outside the United States and Mexico by the undersigned.

Goldman Sachs International Limited — Santander Investment Bank Limited
Baring Brothers & Co., Limited — Paribas Capital Markets — S.G.Warburg Securities
ABN AMRO Bank N.V. — Banamex Investment, Ltd. — Argentaria Bolsa
Bear, Stearns International Limited — Chase Investment Bank Limited
[illegible] First Boston — Deutsche Bank — Donaldson, Lufkin & Jenrette — Indosuez Capital
Nomura International — N M Rothschild and Smith New Court — Wood Gundy Inc.

10,530,000 Global Depositary [illegible]
This portion of the offering was sold in the United States by the undersigned.

Goldman, Sachs & Co.
Bear, Stearns [illegible] Co. Inc.
Donaldson, Lufkin & Jenrette
[illegible] Corporation
Acciones y Valores [illegible] México, S.A. de C.V. — A.G. Edwards [illegible] Sons, Inc.
[illegible] USA, Inc. — Kemper Securities, Inc. — J.P. Morgan [illegible] Inc.
Oppenheimer & Co., Inc. — Smith Barney Shearson Inc.
Arnhold and S. Bleichroeder, Inc. — D.A. Campbell Company, Inc.

5,480,000 Ordinary Participation Certificates
This portion of the offering was sold in Mexico by the undersigned.

Acciones y Valores de México, S.A. de C.V., Casa de Bolsa
Grupo Financiero Banamex [illegible]
InverMéxico, S.A. [illegible] C.V., Casa [illegible] Bolsa
GBM Grupo Bursátil Mexicano, S.A. de C.V., Casa de Bolsa
Bursamex, S.A. [illegible] C.V., Casa de Bolsa — Invex, Casa de Bolsa, S.A. de C.V.
Casa de Bolsa Bancomer, S.A. de C.V.
Operadora de Bolsa Serfin, S.A. de C.V., Casa de Bolsa
[illegible] de Bolsa Inverlat, S.A. [illegible] C.V. — Abaco [illegible] de Bolsa, S.A. de C.V.
Casa de Bolsa Probursa, S.A. [illegible] C.V. — Casa de Bolsa Arka, S.A. de C.V.
Fimsa [illegible] de Bolsa, S.A. de C.V. — Casa de Bolsa Prime, S.A. de C.V.
Vector Casa de Bolsa, S.A. de C.V. — Estrategia Bursátil, S.A. de C.V., Casa de Bolsa
Casa de Bolsa Havre, S.A. de C.V. — Interacciones, Casa de Bolsa, S.A. de C.V.

January 1994

Emirates airline discloses results for the first time

By Paul Betts, Aerospace Correspondent

Emirates, the fastest growing Middle [redacted] airline, which yesterday won the Executive Travel Magazine "Airline of the Year Award," [redacted] a net profit [redacted] Dh10.6m ($2.9m) for the [redacted] ending March 1993 on turnover of Dh1.8bn.

Mr Maurice Flanagan, the Dubai-based airline's managing director, yesterday disclosed its financial performance for the first time since [redacted] Dubai state-owned carrier [redacted] up nine [redacted].

He [redacted] operated profitably every year since [redacted] constitution except in its second financial year, ending March 1987.

The airline expects [redacted] profits [redacted] increase in [redacted] current year, although [redacted] would depend on its expansion plans, Mr Flanagan said.

[redacted] profits for [redacted] sharply lower than the [redacted] reported for [redacted] turnover [redacted] Dh1.46bn.

Although 1991-92 coincided with [redacted] war and [redacted] most difficult year in [redacted] airline's short history, [redacted] record profits that [redacted] that Emirates continued [redacted] operate all its flights [redacted] Europe [redacted] to India and south-east Asia.

"Although the market [redacted] ished significantly during the Gulf war we massively [redacted] our share of the market," Mr Flanagan said.

The lower profits last year reflected a [redacted] per cent increase in the airline's capacity at [redacted] time [redacted] the rest of [redacted] world airlines industry [redacted] seeking to reduce expansion.

Emirates [redacted] 32 destinations and expects passenger numbers to [redacted] from 1.7m in the [redacted] March [redacted] to more than 2m in [redacted].

Mr Flanagan said the airline received no subsidies from [redacted] government shareholder and [redacted] expected to operate under the same tough [redacted] conditions as other market driven companies. "We get no favours from [redacted] owners," Mr Flana[redacted] insisted.

The airline [redacted] associate airport activities employ 7,800 people and operate [redacted] Airbus wide-body A310 and A300 aircraft and two Boeing 727 narrow-body aircraft.

The airline also has firm orders for [redacted] Boeing 777 wide-body aircraft [redacted] options for [redacted] additional seven, [redacted] powered by Rolls-Royce Trent engines.

Mr Flanagan [redacted] planning [redacted] expand its services [redacted] London next summer, [redacted] flights [redacted] Gatwick [redacted] top of [redacted] two daily services [redacted] Heathrow. In [redacted] longer term, [redacted] airline [redacted] considering using its [redacted] Boeing 777s to [redacted] non-stop services [redacted] Dubai [redacted] York.

Hongkong Land bond issue raises $360m

[redacted]

Hongkong Land Holdings, Jardine Matheson group's property investment arm, [redacted] raised US$360m through a convertible bond [redacted] to fund general corporate requirements, including [redacted] from Trafalgar House and development [redacted] the colony's Container Terminal [redacted]

The seven-year bond will carry a [redacted] per cent [redacted] conversion price of [redacted] – [redacted] per cent premium [redacted] the current market price.

The bond [redacted] initially planned [redacted] but this [redacted] lifted [redacted] US$360m. Approval [redacted] being sought to [redacted] the convertible [redacted] London or Luxembourg [redacted] exchange.

Mr Ian Durant, [redacted] director of [redacted] company, said [redacted] issue was in line [redacted] Hongkong Land's aim of diversifying sources [redacted] funding.

Alcoa of Australia posts 50% profit rise

By Nikki Tait in Sydney

Alcoa of Australia, the alumina producer owned by Aluminum Company of the US and Melbourne-based [redacted] Mining Corporation, yesterday reported [redacted] 50.4 per [redacted] in profits [redacted] but before abnormal [redacted] 1993, to [redacted] (US$268.69m).

Earlier, [redacted] US parent reported [redacted] loss [redacted] US$16.7m, or 28 [redacted] a share, for the fourth quarter, blaming a continued fall in prices [redacted] primary aluminium and aluminium [redacted] for drinks cans.

Alcoa of Australia warned that the outlook for 1994 [redacted] encouraging.

"The prolonged recession, inventory problems in the industry and consequent depressed alumina and aluminium prices present [redacted] very difficult start [redacted] 1994," it [redacted].

Inter-government negotia[redacted] over how [redacted] with the industry's over-production problems [redacted] expected [redacted] place [redacted] week; weak demand [redacted] aluminium exports from Rus[redacted] prices tumbling [redacted] record lows in recent [redacted].

[redacted] of Australia's [redacted] year [redacted] nue virtually static in domestic dollar terms, A$2.19bn against A$2.17bn [redacted] time. However, the company [redacted] masked higher shipments and [redacted] exchange rate. Export revenue totalled A$1.87bn, compared with A$1.85bn in the previous [redacted].

[redacted] operating profit level, the company saw [redacted] per cent improvement [redacted], helped by improve[redacted] in productivity [redacted] lower raw material costs. After [redacted] and abnormal [redacted] which generated [redacted] A$59.7m, [redacted] profit reached A$449.1m, compared with [redacted] time.

In [redacted] final quarter of [redacted] year, [redacted] profit after tax [redacted] against [redacted] but [redacted] said the alumina production rate [redacted] by 6 per cent during the period [redacted] of [redacted] demand. This, in turn, raised unit costs.

Paint manufacturers learn the oldest lesson of all

A sector shake-up has shown that the customer must still come first, reports Ian Hamilton Fazey

N[redacted] technology [redacted] not enough. Without a [redacted] work of customers [redacted] sell to, innovators [redacted] doomed [redacted] licensing.

So said Mr Alex Ramig, [redacted] of the US's [redacted] respected industrial chemists, when discussing ICI's pollution-reducing car paint Aquabase in 1991.

Yesterday, [redacted] words proved prophetic – although Mr Ramig, who was picked [redacted] by ICI when it bought [redacted] US paint giant Glidden in 1986 and [redacted] heads paints research, was part of making them so.

ICI has withdrawn from [redacted] joint venture to provide paints for European car makers, leaving Du Pont, its [redacted] partner, [redacted] it [redacted] with [redacted] Aquabase licence. Du Pont already [redacted] network of customers in the US [redacted] which to base a marketing strategy.

ICI quit after [redacted] *four-year pro*[redacted] adapt Aquabase – [redacted] uses water [redacted] of organic solvents – for the vehicle repair market. It already [redacted] *customer network* [redacted] *thousands* [redacted] *vehicle* repair shops worldwide and [redacted] it will [redacted] better. The [redacted] marks the latest stage of a 12-year reorganisation of [redacted] industrial paint markets.

Industrial paints [redacted] high technology products, and big business. Modern anti-corrosion guarantees rely on a vehicle's paint, [redacted] paint [redacted] during manufacture in Europe alone [redacted] worth about £650m ($969m) a year. Vehicle repair worldwide generates annual sales of about £2bn.

As manufacturers of vehicles, televisions sets, video recorders, and [redacted] durables "went global" in the [redacted] their suppliers – paintmakers included – were forced [redacted] follow suit. The result [redacted] rash of mergers and acquisitions as giants such [redacted] ICI and Courtaulds of the UK, PPG [redacted] Pont of the US, BASF [redacted] of Germany and Akzo of the Netherlands, bought their way [redacted] national paint [redacted] kets around [redacted] world.

A vigorous shakeout is [redacted] under way. Research and development has [redacted] be continu[redacted] and is expensive: [redacted] company [redacted] concentrating on markets where it [redacted] the best prospects, shedding businesses which cannot justify their consumption of working capital.

Even the acquisitive Netherlands chemical [redacted] Akzo – *which last year bought* Sweden's Casco Nobel, which in turn [redacted] swallowed Beckers [redacted] dominate Scandinavian [redacted] – is trying [redacted] sell [redacted] European manufacturing automotive coatings [redacted] to PPG, the world market leader.

Mr Austin O'Malley, who [redacted] PPG's European paints operations, [redacted] yesterday the deal [redacted] only waiting for the approval of the Netherlands and Belgian governments. Go-ahead will trigger big PPG investment in Akzo's former plant and laboratories.

Courtaulds, [redacted] *known for* the International Paint brand of marine coatings, has turned [redacted] into [redacted] transportation [redacted] tor specialist. It bought ICI's aircraft painting business in 1992. It [redacted] also [redacted] leader in powder coatings – which use no solvents, so are the [redacted] environmentally friendly of *all.*

ICI decided to [redacted] for powder markets, too. In 1992 it tried to [redacted] powder [redacted] with Ferro, the US leader, but withdrew after doubts [redacted] management structure and capital needs. It then sold [redacted] business to Ferro.

The lesson – that technol[redacted] alone does not [redacted] a market – [redacted] shown in [redacted] story. [redacted] developed [redacted] environmentally friendly, inert, tasteless, water-[redacted] lacquer for spraying the insides of aluminium drinks [redacted], which separates [redacted] contents from the metal [redacted] the [redacted] and [redacted] the drink [redacted] the same worldwide.

Thanks to Glidden's long standing [redacted] supplier [redacted] the canning industry, and ICI's similar position in [redacted] the world, ICI [redacted] has 44 [redacted] cent of [redacted] market [redacted] per cent in Europe.

PosGold adds to Aztec bid

By Nikki Tait

Poseidon Gold, part of Mr Robert [redacted] Crespigny's Normandy Poseidon mining [redacted] minerals empire, yesterday submitted expanded offer documents for [redacted] Mining Company [redacted] Australian Securities Commission in an effort [redacted] acquire the [redacted] mining house for A$261m [redacted].

PosGold's move came after [redacted] federal court in Sydney declared invalid the bidder's previous "Part A" [redacted] one [redacted] the formal bid documents required in Australian takeovers.

Aztec's directors, who [redacted] the bid, claimed that PosGold should divulge [redacted] information in specific areas; these ranged from PosGold's sources of finance [redacted] Normandy Poseidon's relationship with the South African Anglo-American group and [redacted] bidder's plans for Aztec's base metal interests.

PosGold said yesterday [redacted] it [redacted] decided [redacted] lodge the expanded document in an effort to expedite [redacted] bid, although [redacted] added: "PosGold remains of the [redacted] of the [redacted] raised by Aztec ... [redacted] sufficient to affect [redacted] validity [redacted] 'Part A' statement". It said that additional information had been provided in various [redacted] requested by Aztec, including funding arrangements [redacted] the Anglo-American relationship.

Aztec directors will [redacted] have approximately [redacted] to consider the new [redacted] it is sent [redacted] holders. They would be free to raise [redacted] legal objections if they [redacted] the [redacted] was still [redacted].

Bumper crop of US offers makes 1993 record year

By Sara Webb

Last year saw a surge in new international equity issues, making [redacted] record-breaking year with a bumper crop of share offerings from US companies, [redacted] well as privatisations in Europe and some emerging market countries.

Altogether, new international equity issues raised [redacted] 71 per [redacted] increase on the $22.67bn of 1992, according [redacted] IFR Securities Data. Investment bankers expect international equity offerings [redacted] continue to boom in [redacted].

Low [redacted] interest rates and the prospect of declining [redacted] in much of Europe encouraged investors to look for higher returns elsewhere, with [redacted] focus on the rallying stock [redacted] in [redacted] industrialised countries and [redacted] emerging markets.

The US topped the league [redacted] of [redacted] $10.1bn of [redacted]. Argentina jumped [redacted] place with [redacted] total of [redacted] *following* [redacted] privatisation of YPF, the country's oil [redacted] company, in June, when the [redacted] cent [redacted] $3.04bn, including a [redacted] international tranche.

Spain ($2.83bn), France ($2.59bn), Mexico ($2.38bn) and [redacted] substan[redacted] issuance, with privatisations providing the lion's share.

France [redacted] privatisation [redacted] from BNP, [redacted] banking group, [redacted] from Rhône-Poulenc, [redacted] chemicals group, while Spain [redacted] substantial [redacted] from Argentaria, the banking concern, and Repsol, the energy and chemicals group, and the UK government sold [redacted] remaining 22 per cent of British Telecommunications.

In addition, a handful of European companies launched Initial Public Offerings for their [redacted] subsidiaries to [redacted] advantage [redacted] US stock market conditions.

For example, Finmeccanica, the Italian state-controlled *engineering group,* launched [redacted] IPOs for minority stakes in [redacted] Union Switch Signal and [redacted] Bailey [redacted] Automa[redacted] subsidiaries; Outokumpu, the Finnish mining and [redacted] sold OM Group, its [redacted] speciality chemicals subsidiary, through an IPO in the US; and Trygg-Hansa [redacted] Swedish insurance group, launched [redacted] IPO for [redacted] Home Holdings.

[redacted] Hank Erbe, equity [redacted] cate manager at Lehman Brothers in London, says these IPOs provided "opportunistic ways to raise funds" as companies saw their assets could get better valuations in [redacted].

[redacted] 1994, [redacted] privatisation bonanza continue in Europe, [redacted] France and Italy expected [redacted] provide [redacted] main candidates, while Latin America and the *Far East should* [redacted] *generate* plenty of [redacted] for [redacted] ing market [redacted].

"The key [redacted] new [redacted] will continue [redacted] environment and the increasing internationalisation of [redacted] investor portfolios. [redacted] yields decline [redacted] curve, we will [redacted] further [redacted] equities," [redacted] banker.

INTERNATIONAL EQUITY ISSUES

TOP INTERNATIONAL EQUITY BOOKRUNNERS

	1993				[redacted]			
Manager	$bn	[redacted]	[redacted]	[redacted]	$bn	Rank	[redacted]	Issues
Goldman Sachs	5.449	1	14.06	[redacted]	[redacted]	2	16.47	53
Merrill Lynch	4.644	2	11.98	70	2.618	3	11.55	35
Morgan Stanley	3.323	3	[redacted]	30	3.845	1	16.96	[redacted]
SG [redacted]	3.287	4	[redacted]	21	[redacted]	7	[redacted]	8
CS First Boston	[redacted]	[redacted]	8.28	32	1.477	5	[redacted]	30
Lehman Brothers	2.400	6	6.19	54	1.765	4	7.78	[redacted]
Salomon Brothers	1.442	[redacted]	[redacted]	26	[redacted]	[redacted]	[redacted]	[redacted]
JP [redacted]	1.324	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	3.29	[redacted]
BZW	1.269	9	[redacted]	10	[redacted]	[redacted]	1.16	7
HSBC	1.121	10	2.89	[redacted]	-	-	-	-
[redacted]	38.779		100	492	22.673		100	357

[redacted] IFR [redacted] Data

Perstorp

Notice of Annual General Meeting

The Shareholders of Perstorp [redacted] are hereby invited [redacted] Annual [redacted] Meeting [redacted] be held on Saturday, 29th January, [redacted] at 10 a.m. (Swedish time) at Persgården, Perstorp AB's employee [redacted] in Perstorp, Sweden.

Agenda

1. Election [redacted] Chairman to preside [redacted] Meeting.
2. Preparation and approval [redacted] a voting [redacted]
3. *Election of two persons to approve the minutes.*
4. [redacted] the Meeting has been properly convened.
5. [redacted] of [redacted] Annual Report, [redacted] Auditors' Report [redacted] the [redacted] Company, [redacted] Accounts [redacted] Auditors' Report on [redacted] Group.
6. Consideration [redacted] in [redacted] of the following:
   [redacted] the adoption [redacted] Parent Company Income Statement, [redacted] Parent Company [redacted] Sheet, [redacted] Income Statement [redacted]
   [redacted] *the appropriation of the Company's profit according to the adopted Balance Sheet; and*
   [redacted] the Directors' [redacted] Managing Director's discharge from liability.
7. [redacted] number [redacted] Directors and deputy members [redacted] and Auditors.
8. [redacted] for the [redacted] of [redacted] Auditors.
9. Election [redacted] and the Auditors.
10. Closing.

In order to [redacted] in the Annual [redacted] Meeting, Shareholders must be registered in [redacted] Register [redacted] by [redacted] Securities Register [redacted] (Värdepapperscentralen VPC AB) not [redacted] than Wednesday, [redacted] January. [redacted] Shareholders [redacted] placed their [redacted] temporarily re-register the [redacted] in [redacted] own names to [redacted] them [redacted] participate in [redacted] Meeting. A Shareholder [redacted] in good [redacted] Wednesday, [redacted] January [redacted].

[redacted] may [redacted] and [redacted] Meeting in person or by proxy. However, in [redacted] with [redacted] practice the Company [redacted] forms of proxy [redacted] Shareholders. [redacted] wishing [redacted] by [redacted] should [redacted] own [redacted] proxy [redacted] Company.

[redacted] intended participation [redacted] the Annual [redacted] Meeting [redacted] given to Perstorp [redacted] not [redacted] than Tuesday, 25th January, [redacted] 3 p.m. (Swedish time);
by telephone, by calling (010) [redacted] (direct line); or
by mail, [redacted] Perstorp AB, [redacted] 80 Perstorp, Sweden.

The Company will confirm receipt [redacted] participation by sending an [redacted] at [redacted] Meeting. This confirmation will [redacted] include a [redacted] description of [redacted] most [redacted] to Persgården.

The Board of Directors [redacted] propose [redacted] for [redacted] Wednesday, 2nd February, [redacted]. Should [redacted] approved, it is anticipated [redacted] the dividend will [redacted] distributed by [redacted] Register [redacted] on Wednesday, [redacted] February, 1994.

Perstorp, January [redacted]

The [redacted] Perstorp [redacted]

The Kingdom of Belgium
US$400,000,000
Tranche A: US$150,000,000
Floating rate notes due 1996

[redacted] accordance [redacted] provisions of [redacted] notice [redacted] hereby given that for [redacted] interest period from 13 January [redacted] to 13 July [redacted] will bear interest at 3.4375% per annum and interest payable [redacted] 13 July [redacted] amount to US$1,738.30 per US$100,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

SHEARSON LEHMAN HUTTON HOLDINGS INC *(Incorporated in Delaware)*
US$300,000,000
Floating rate [redacted] due October 1996

For [redacted] three months 13 January 1994 [redacted] 13 April [redacted] the [redacted] carry an interest rate of 3.35% per annum and interest payable on [redacted] relevant interest payment [redacted] 13 April [redacted] will [redacted] US$83.75 per [redacted] note.

Agent: Morgan Guaranty Trust Company

JPMorgan

Residential Property
PRIVATE ADVERTISERS
please contact
Sonya MacGregor
071 873 4935

This announcement appears [redacted] matter of record only.

OEKW

Österreichische Kabelwerke Gesellschaft m.b.H.
a subsidiary of Siemens AG Österreich

in consortium with

Creditanstalt Securities Ltd., Budapest

has acquired a majority interest
in

MKM HUNGARIAN CABLE WORKS

from

The State Property Agency of the Republic of Hungary

The undersigned acted as financial adviser to the Consortium.

Creditanstalt Investment Bank AG
Vienna · Budapest · Prague · [redacted] · Warsaw · [redacted] · New York
[redacted] A-1011 Vienna, Dr. [redacted] Lueger-Ring [redacted] Tel. (+431) 531 [redacted] Fax [redacted] 532 [redacted] 60

December, [redacted]

U.S. $50,000,000

ÖVAG
ÖSTERREICHISCHE VOLKSBANKEN-AKTIENGESELLSCHAFT
Floating Rate Subordinated [redacted] due [redacted]

In [redacted] the provisions [redacted] the Notes, [redacted] hereby given that for the Interest Period from January 13, 1994, to July 13, [redacted] the [redacted] interest rate of 5% [redacted] annum. The [redacted] payable [redacted] relevant interest payment [redacted] July 13, [redacted] will be [redacted] $125.69 per U.S. [redacted]

By: The [redacted] Manhattan Bank, N.A. London, Agent Bank CHASE

January 13, [redacted]

U.S. $500,000,000
National Westminster Bank
(Incorporated in England [redacted] liability)
Primary Capital FRNs (SERIES "A")

In [redacted] with [redacted] provisions [redacted] the [redacted] hereby given that for the six months interest period from January 13, 1994 to *July 13, 1994 the Notes will carry an Interest Rate of 3.625% per annum.* The [redacted] payable on the relevant interest payment [redacted] July 13, 1994 against Coupon No. [redacted] will [redacted] U.S. $1,822.57 and U.S. $182.26 respectively [redacted] Notes in denominations [redacted] U.S. $100,000 and U.S. $10,000.

By: The [redacted] Manhattan Bank, N.A. London, Agent Bank

January 13, 1994

HongkongBank
The Hongkong and Shanghai Banking Corporation Limited
(Incorporated in Hong Kong [redacted])
U.S.$400,000,000
PRIMARY CAPITAL UNDATED FLOATING RATE NOTES [redacted] SERIES)

Notice [redacted] hereby given that the Rate of Interest has been fixed at 3.375% [redacted] that the [redacted] on the relevant Interest Payment Date April 13, 1994, in respect of [redacted] nominal [redacted] the [redacted] will be $42.19 and in respect of $100,000 nominal of the Notes will be $843.75.

January 13, 1994, London
By: Citibank, N.A., (Issuer Services), Agent Bank CITIBANK

SAMSUNG SEMICONDUCTOR AND TELECOMMUNICATIONS LIMITED
US [redacted] FLOATING RATE NOTES DUE 1994
[redacted] BY
[redacted] ELECTRONICS [redacted] LIMITED

For the six months from [redacted] 13 January [redacted] to 13 July 1994 the Notes will carry an interest rate of [redacted] per annum. The interest payable on the relevant interest payment date, 13 July 1994, will be US$2639.58 per US$100,000 Note.

CHEMICAL
Agent Bank

WHY PAY MORE FOR LESS?
PC QUOTE 64KB HYPERFEED

FutureSource
Call FutureSource Tel: 071-867 8867 Fax: 071-867 1364

INTERNATIONAL CAPITAL MARKETS

Hectic trading [illegible] borrowers rush to take advantage of low rates

By Conner Middelmann

The recent flood of Eurobond issues showed no sign of abating yesterday as borrowers rushed to [illegible] advantage of low funding rates while investors continued to buy heavily in the hope that yields would continue to decline.

Most of the activity took place in the Eurosterling market, which saw £950m of fresh supply, and the reviving Ecu [illegible], where [illegible] than Ecu1bn of new bonds [illegible] issued. In total, some 25 issues [illegible] launched.

Barclays Bank kicked [illegible] a hectic day in the sterling [illegible] tor with its £500m [illegible] 10-year bonds via joint [illegible] BZW and Salomon Brothers. The bonds were priced at 30 basis points [illegible] gilts and, [illegible] the lead [illegible], met with [illegible] investor demand, especially from investors in [illegible] and [illegible] Asia who [illegible] by the UK currency's [illegible] strength.

Overseas interest in sterling assets has been spurred by the pound's [illegible] rally. Sterling yesterday [illegible] highest level against [illegible] D-Mark [illegible] September 1992 at DM2.613, and many investors expect that trend to continue [illegible] further signs of economic recovery in the UK. Some expect UK interest [illegible] to be cut if the currency firms much further, which would give an [illegible] to sterling bond markets. "Whichever way you look at it, you have a 'win-win' situation," said one [illegible].

Close on the heels of the Barclays issue [illegible] three [illegible] year sterling deals. The Cheltenham & Gloucester Building Society issued £150m of [illegible] year floating-rate notes paying interest [illegible] three-month Libor plus 10 basis points, which [illegible] demand from UK and continental European investors, [illegible] official at [illegible] manager [illegible] Benson [illegible].

Another two straight [illegible] followed, driven by attractive [illegible] opportunities in the [illegible]. The [illegible] bank, De Nationale Investeringsbank, [illegible] of five-year bonds at 30 basis points over gilts via Samuel Montagu. That [illegible] pared with a [illegible] basis-point spread [illegible] gilts for [illegible] five-year [illegible] Nationwide Building Society, which [illegible] launched shortly afterwards via Baring Brothers.

Syndicate managers expect more sterling [illegible] in [illegible] next few days, including a 25-[illegible] bond for Lloyds Bank totalling [illegible] £300m.

Meanwhile, the Ecu market continued its comeback, absorbing five issues worth Ecu1.07bn with relative ease, helped by the [illegible] resilience following the French government's auction [illegible] Ecu990m of five- [illegible] 10-year OATs.

"There's very real investor demand for current-coupon Ecu [illegible] – retail in[illegible] like to see a fresh name priced [illegible] par," [illegible] a syndicate [illegible]. Moreover, with [illegible] $16.2bn worth [illegible] Ecu bonds maturing [illegible] provide [illegible] liquidity after the [illegible] Ecu issuance.

BellSouth Capital Funding Corporation's [illegible] of five-year bonds met with strong retail demand in continental Europe, especially Switzerland, a syndicate [illegible] with [illegible] Morgan Stanley [illegible].

The remaining issues all had seven-year maturities: [illegible] Française [illegible] Développement via joint [illegible] and Goldman Sachs; [illegible] for KFW International Finance via Goldman Sachs; [illegible] for Crédit Foncier de France via Paribas Capital Markets, and Ecu250m of bonds for UK Pass-Through Securities via Morgan Stanley.

The market [illegible] awash with rumours that Canada will launch [illegible] of five-year floating-rate [illegible] today, priced at be[illegible] 15 and [illegible] basis points [illegible] three-month Libor.

Syndicate [illegible] that Goldman Sachs, UBS and CS First [illegible] have been awarded the [illegible] for the [illegible].

The D-Mark [illegible] had to digest another large bank issue, DM1bn of 10-year bonds for Bayerische Landesbank, via Bayerische Landesbank and UBS. The issue, syndicated by a [illegible] consortium [illegible] non-German banks, was placed mainly outside Germany. While [illegible] pricing [illegible] fair, recent heavy supply of 10-year bank bonds may mean that the [illegible] will only [illegible] absorbed slowly, [illegible] an official with [illegible].

The French franc sector saw [illegible] launch of FFr2.5bn for the triple-A [illegible] Nationale [illegible] via J. P. Morgan and [illegible] Générale. [illegible] the issue was "not a blow-out", [illegible] fairly priced and [illegible] from European investors [illegible] by franc's strength, a syndicate [illegible].

● The Chicago [illegible] Options Exchange [illegible] options [illegible] the Nasdaq-100 index, a popular over-the-counter stock index, from January 28. The Nasdaq-100 index has [illegible] price correlation with the Nasdaq Composite Index.

NEW INTERNATIONAL BOND ISSUES

[illegible]rrower	Amount m.	[illegible] %	[illegible]	Maturity	Fees [illegible]	Spread bp	Book runner
[illegible] DOLLARS							
[illegible] Shutter Co.(a)ϕ	460	[illegible]	100.00	Feb.1998	[illegible]	-	Daiwa Erpe./Nomura [illegible]
[illegible] Financiera(Cay.)‡	150	(b)	99.825R	Feb.1996	0.25R	-	[illegible] Peabody Intl.
Foreningsbanken(c)‡	100	(c)	99.60R	Feb.2004	0.83R	-	Chemical Bank
Nomura International‡	100	(d)	99.60R	[illegible]	0.25R	-	Nomura International
Helaba‡	100	(e)	[illegible]	[illegible]	0.20R	-	Merrill Lynch Intl.
D-MARKS							
[illegible] Landesbank	1bn	6.00	100.00R	Feb.2004	0.10R	+42 (6%-03)	Bayerische Landesbank
Reemtsma Finance	250	[illegible]	101.80	Feb.2001	[illegible]	-	Deutsche Bank
YEN							
Queensland Treasury Corp.‡	[illegible]	(f)	[illegible]	[illegible]	undisd.	-	Nikko Europe
STERLING							
Barclays Bank	500	6.50	99.092R	Feb.2004	0.35R	+30 (6¾%-04)	BZW/ [illegible]lomon Brothers
DNIB(g)	150	6.125	99.88R	Dec.1999	0.30R	+30 (6½%-99)	Samuel Montagu
Nationwide B/S(g)	150	6.125	99.20R	Nov.1999	0.325R	+45 (6½%-99)	Baring Brothers
Cheltenham & Gloucester(h)‡	150	(h)	99.64R	Jan.1999	0.10R	-	[illegible] Benson
FRENCH FRANCS							
[illegible] des Autoroutes	2.5bn	6.50	99.06R	[illegible]	0.30R	+19 (i)	Société [illegible]
ITALIAN LIRE							
Export Development Corp.	200bn	7.60	101.875	Feb.2001	1.875	-	Paribas Capital [illegible]
ECUS							
Credit Foncier de France	300	5.50	[illegible]	[illegible]	[illegible]	-	Paribas [illegible]
UK Pass-Through [illegible]	[illegible]	[illegible]	[illegible]	Feb.2001	0.30R	-	Morgan Stanley Intl.
CFD	[illegible]	[illegible]	[illegible]	Feb.2001	0.30R	-	BZW/ Goldman Sachs
KfW International Finance	200	[illegible]	99.95R	Jan.2001	0.30R	-	Goldman Sachs Intl.
BellSouth Capl. Funding Corp.	125	[illegible]	100.00R	Feb.1999	0.25R	-	Morgan Stanley Intl.
PESETAS							
European [illegible]	20bn	7.90	101.60	Feb.2004	[illegible]	-	[illegible] Negocios

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ϕWith equity warrants. ‡Floating rate note. R: [illegible] re-offer price; fees are shown at the re-offer level. a) Fixing: 17/1/94. Daiwa $300m Euro tranche and Nomura $160m Asian tranche. b) Coupon: 6-mth Libor +⅜%. c) Coupon: 6-mth Libor +1.1% for 1st 5 yrs and +2½% thereafter. Callable on 18/2/99 at par. d) Coupon: 6-mth Libor +⅛%, min 5%. e) Coupon: 3-mth Libor +1%. Interest only accrues on days 3-mth [illegible] within the following ranges: 3-4%, 3-4½%, 3-5¼%, 3-6%, 3-6½%, 3-7% for each 6-mth [illegible] respectively. f) Coupon: 3-mth Libor +1%. g) Short 1st coupon. h) Coupon: 3-mth Libor +0.1%. Callable on any interest payment date from Jan.96 [illegible] par. i) [illegible] over interpolated yld curve.

'Flex' deals offered on FT-SE Mid 250

By Tracy Corri[illegible]

OMLX, the London-based equity derivatives exchange, is to launch both standard and "flex" futures and option contracts on the FT-SE Mid 250 index.

This [illegible] a march on the London International Financial Futures [illegible] Options Exchange (Liffe), which has also been granted a licence by the London [illegible] exchange to trade Mid 250 derivatives.

"Flex," or flexible contracts – [illegible] be tailored [illegible] individual needs, like over-the-counter products, but which are cleared through an exchange – [illegible] already been introduced in the [illegible] market, but the OMLX instruments will [illegible] first of their kind in the UK.

"What we discovered is that there is not [illegible] huge demand for [illegible] specific use, [illegible] for [illegible] range of uses," [illegible] Mr Lynton Jones, OMLX chief executive.

These uses include [illegible] allocation, hedging existing portfolios, writing options against [illegible] holdings [illegible] enhance returns, and playing the spread between the FT-SE [illegible] and 250 [illegible] cash market.

[illegible] it expected [illegible] launch the contracts in [illegible] matter [illegible] weeks.

Liffe has [illegible] yet formulated its plans for Mid 250 derivatives. "We believe that the timing [illegible] very important," said Liffe chief executive, Mr [illegible] Hodson. "We [illegible] still engaged in looking [illegible] alternatives." These include listing Mid 250 futures [illegible] APT [illegible] trading system.

Liffe [illegible] also developing an options trading system, which [illegible] be used for the Mid 250, including "flex" options.

Low inflation figures prompt big advances in US Treasuries

By Patrick Harverson in New York and Tracy Corrigan and [illegible] Webb in London

The long [illegible] of the [illegible] Treasury market posted big gains yesterday morning as investors reacted positively to news [illegible] low inflation.

By midday the benchmark 30-year government bond was up 1$\frac{1}{32}$ at 100$\frac{7}{32}$, to yield 6.155 per [illegible]. The two-year [illegible] was only slightly firmer at the halfway mark, however, up $\frac{1}{32}$ at 100$\frac{9}{32}$, yielding 4.015 per cent.

The news [illegible] sparked [illegible] buying [illegible] 0.1 per [illegible] in December producer prices.

Although [illegible] figure [illegible] with market expectations, prices rose [illegible] judged that the second half [illegible] monthly inflation data – today's consumer prices report – [illegible] equally bullish [illegible] instruments.

[illegible] long [illegible] further buoyed by short-covering and futures-related buying. The latter [illegible] the result [illegible] March T-bond [illegible] breaking through [illegible] technical barrier, [illegible] sparked [illegible] from retail accounts, and [illegible] in turn prompted heavy buying in [illegible] cash market.

[illegible] dramatic [illegible] in [illegible] UK unemployment [illegible] for [illegible] wiped out hopes of a [illegible] in [illegible] and depressed the gilt market yesterday morning, reducing [illegible] gains [illegible] UK government [illegible] prices.

[illegible] gilts closed [illegible]ginally weaker while longer-[illegible] issues [illegible] about ½ of a point higher.

The gilt [illegible] opened [illegible] a firm note, [illegible] prices [illegible] across the curve with the long

GOVERNMENT BONDS

[illegible] showing the strongest gains. However, prices fell [illegible] after [illegible] release of unemployment [illegible] that the number of jobless [illegible] by 46,800 in December, reducing the unemployment rate [illegible] per cent from 10.0 [illegible] previous month.

Dealers [illegible] speculation [illegible] Mr Kenneth Clarke, [illegible] chancellor of [illegible] exchequer, and Mr Eddie George, [illegible] of England, will [illegible] keep [illegible] rates at [illegible] levels when they hold their regular policy meeting today.

■ Other European bond markets gained encouragement [illegible] US rally. However, the German bund market [illegible] some of its earlier gains [illegible] hopes [illegible] easing of interest [illegible] faded, following [illegible] by several [illegible] council members. "If German M3 [illegible] supply for December [illegible] high, [illegible] Bundesbank won't [illegible] cutting rates [illegible] month," one analyst said.

■ The Spanish market, which [illegible] experiencing [illegible] revival of international interest, per[illegible] strongly, gaining half a point.

"Spain [illegible] into fashion," said Mr Juonni Kokko, [illegible] international [illegible] at Warburg, noting that the peseta has recovered to Pta82.70 against the D-Mark. "If anything, the implication of the Banesto scandal [illegible] that [illegible] may have [illegible] down more than expected," he [illegible].

■ The Italian market also performed impressively, rallying [illegible] further 30 [illegible] points [illegible] political [illegible] eased. Traders hope that [illegible] parliamentary [illegible] of no-confidence in prime minister Carlo Ciampi will produce [illegible] early general election.

WORLD [illegible]ND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	[illegible]	Day's [illegible]	Yield	Week [illegible]	Month [illegible]
Australia		9.500	08/04	120.7000	+0.430	[illegible]	[illegible]	6.72
Belgium		9.000	[illegible]	117.0600	[illegible]	[illegible]	6.49	[illegible]
Canada *		7.500	[illegible]	107.9500	[illegible]	6.40	6.65	6.70
[illegible]		7.000	[illegible]	108.6500	+0.700	5.90	6.13	6.22
[illegible]	BTAN	8.500	05/98	110.1100	-	4.95	[illegible]	6.06
	OAT	6.750	10/03	108.3200	+0.310	5.62	5.70	[illegible]
Germany		[illegible]	09/03	[illegible]	+0.140	5.57	5.62	5.75
Italy		[illegible]	10/03	[illegible]	+0.300	8.57†	8.56	8.77
[illegible]	No 119	4.800	06/99	[illegible]	[illegible]	2.35	[illegible]	[illegible]
	No 157	4.500	06/03	[illegible]	[illegible]	3.01	[illegible]	3.19
Netherlands		6.750	01/04	101.4400	+0.300	5.56	[illegible]	5.72
Spain		[illegible]	10/03	115.8000	[illegible]	[illegible]	[illegible]	8.31
UK Gilts		[illegible]	01/98	113-31	[illegible]	[illegible]	[illegible]	5.69
		6.750	11/04	[illegible]	[illegible]	6.20	[illegible]	[illegible]
		[illegible]	10/08	123-01	+8/32	6.54	[illegible]	6.61
US Treasury *		[illegible]	08/03	101-14	+19/32	5.55	[illegible]	5.68
		6.250	08/23	101-07	+37/32	[illegible]	6.39	6.17
ECU (French Govt)		6.000	[illegible]	100.9100	-0.070	5.86	[illegible]	6.11

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	130.98	131.24	+0.38	[illegible]	130.98	220,124	142,994
Jun	130.46	130.74	+0.38	130.82	130.46	1,745	10,544
Sep	[illegible]	129.86	[illegible]	[illegible]	[illegible]	[illegible]	638

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Feb	Calls Mar	Calls Jun	Puts Feb	Puts Mar	Puts Jun
128	-	3.26	-	-	0.07	0.39
129	-	2.37	-	0.02	0.14	0.61
130	1.26	1.51	1.66	0.05	0.29	-
131	0.49	0.84	1.16	0.26	0.63	-
132	0.10	0.38	0.73	-	1.16	-
133	-	0.13	0.42	-	-	-

Est. vol. total, Calls 41,499 Puts 44,849. Previous day's open int., Calls 236,366 Puts 294,399.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	101.10	101.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jun	101.20	101.11	+0.12	[illegible]	101.10	[illegible]	2148

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
10100	0.61	1.04	0.45	0.93
10150	0.38	0.81	0.72	1.20
10200	0.22	[illegible]	1.06	1.50

Est. vol. total, Calls 13807 Puts 10866. Previous day's open int., Calls 177336 Puts 128516

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	[illegible]	High	Low	Est. vol	Open int.
Mar	103.51	103.46	-0.01	[illegible]	[illegible]	702	10349

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	[illegible]	[illegible]	High	Low	Est. [illegible]	Open int.
Mar	117.75	[illegible]	+0.46	118.25	[illegible]	[illegible]	[illegible]
Jun	117.74	[illegible]	+0.46	[illegible]	117.74	93	531

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
11750	1.75	2.95	1.28	2.38
11800	1.46	2.69	1.49	2.62
11850	1.23	2.45	1.74	[illegible]

Est. vol. total, Calls [illegible]456 Puts 2793. Previous day's open int., Calls 41050 Puts 40636

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	[illegible]	Sett price	[illegible]	[illegible]	Low	Est. [illegible]	Open int.
Mar	[illegible]	[illegible]	[illegible]	105.65	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8,001

UK

■ [illegible] UK [illegible] (LIFFE)* £50,000 32nds of [illegible]

	Open	Sett price	Change	High	[illegible]	Est. vol	Open int.
Mar	[illegible]	119-01	[illegible]	119-12	[illegible]	[illegible]	[illegible]
Jun	118-15	[illegible]	[illegible]	118-16	118-15	41	139

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
[illegible]	1-07	1-44	1-05	2-18
120	0-43	1-18	1-41	2-56
121	0-23	0-61	2-21	3-35

Est. vol. total, Calls 4031 Puts 4027. Previous day's open int., Calls 85130 Puts 50352

Ecu

■ ECU BOND FUTURES (MATIF)

	[illegible]	Sett price	[illegible]	[illegible]	[illegible]	Est. vol.	Open int.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4,907	12,182
Jun	-	[illegible]	[illegible]	-	-	-	50

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	[illegible]	Latest	Change	High	[illegible]	Est. vol.	Open int.
Mar	116-13	117-01	+0-20	117-04	116-13	300,581	[illegible]
Jun	115-13	[illegible]	+0-20	116-02	115-13	1,656	[illegible]
Sep	114-22	[illegible]	+0-23	115-01	114-15	862	20,090

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	[illegible]	[illegible]	[illegible]	High	[illegible]	Est. vol	Open int.
[illegible]	117.60			117.70	117.54	2787	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Wed Jan 12	Day's change %	Tue Jan 11	Accrued interest	xd adj. ytd
1 Up to 5 years (26)	129.81	-0.01	129.82	2.20	0.00
2 5-15 years [illegible]	162.69	+0.07	162.57	2.52	0.10
[illegible] Over 15 years (8)	[illegible]	+0.17	[illegible]	2.30	0.00
4 Irredeemables [illegible]	225.76	+0.19	225.32	1.71	0.00
5 All stocks [illegible]	157.20	[illegible]	[illegible]	2.40	0.05

Yield	Low coupon Jan 12	Low coupon Jan 11	Low coupon Yr. ago	Medium coupon Jan 12	Medium coupon Jan 11	Medium coupon Yr. ago	High coupon Jan [illegible]	High coupon Jan 11	High coupon Yr. ago
5 yrs	[illegible]	[illegible]	7.06	6.93	[illegible]	[illegible]	6.04	6.04	[illegible]
[illegible]	[illegible]	6.42	8.34	6.63	6.54	8.79	[illegible]	[illegible]	9.06
20 yrs	6.52	6.53	[illegible]	6.67	[illegible]	8.99	6.75	[illegible]	9.10
Irred.†	6.65	6.67	[illegible]						

Index-linked	Wed Jan 12	Day's change %	Tue Jan 11	Accrued interest	xd adj. ytd
[illegible] Up to 5 years (2)	191.48	[illegible]	191.53	1.40	[illegible]
7 Over 5 years (11)	191.12	[illegible]	191.23	0.61	0.30
8 All stocks (13)	190.22	-0.06	[illegible]	0.69	0.26

	Inflation 5% Jan 12	Inflation 5% Jan 11	Inflation 5% Yr. ago	Inflation 10% Jan 12	Inflation 10% Jan 11	Inflation 10% Yr. ago
Up [illegible] 5 yrs	2.17	2.16	2.78	[illegible]	1.36	2.00
Over 5 yrs	[illegible]	2.96	3.69	2.60	[illegible]	3.71

Debentures and Loans	Wed Jan 12	Day's change %	Tue Jan 11	Accrued interest	xd adj. ytd	5 year yield Jan 12	Jan 11	Yr. ago	15 year yield Jan 12	Jan 11	Yr. ago	25 year yield Jan 12	Jan 11	Yr. ago
9 Debs & Loans (65)	[illegible]	[illegible]	151.61	2.63	0.11	7.20	7.23	8.91	7.67	7.57	[illegible]	7.70	7.70	[illegible]

Average gross redemption [illegible] shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † [illegible] yield. [illegible]

FT FIXED INTEREST INDICES

	Jan 12	Jan 11	Jan 10	[illegible] 7	[illegible]	Yr ago	High*	Low*
Govt. Secs. (UK)	[illegible]	[illegible]	[illegible]	106.65	[illegible]	[illegible]	107.60	93.28
Fixed Interest	[illegible]	[illegible]	132.24	[illegible]	[illegible]	108.91	[illegible]	[illegible]

* [illegible] 1993/94. Government Securities high since compilation: 127.40 [illegible] low [illegible] (3/1/75). Fixed Interest high since [illegible] (3/1/75). Basis 100: [illegible] and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Jan 11	Jan [illegible]	Jan 7	Jan 6	Jan 5
Gilt Edged [illegible]	165.3	128.3	86.9	90.5	[illegible]
5-day average	109.1	90.7	72.0	66 9	[illegible]

FT/ISMA [illegible] BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:55 pm on January 12

	Issued	Bid	[illegible]	[illegible]	[illegible]
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	101⅞	[illegible]	+¼	6.32
AlbertaProvince 9⅜ 95	600	[illegible]	[illegible]	-⅛	[illegible]
Austria 8½ 00	400	114⅞	115⅛	+¼	5.53
United Kingdom 7¼ 97	5500	[illegible]	107⅛		[illegible]
Volkswagen Intl Fin 7 03	1000	104¼	[illegible]	-¼	[illegible]
World Bank 0 15	2000	29⅝	29⅞	+1	[illegible]
World Bank 5¾ 98	300	103½	103¾	+⅛	4.03
Alliance Leics 11⅞ 97 £	100	115⅛	115⅞	-⅛	6.10
British Gas 12¾ [illegible] £	300	107⅝	[illegible]		[illegible]
British Land 8⅞ 23 £	150	[illegible]	106⅛		[illegible]
EIB 10 97 £	637	111½	111⅞	-⅛	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

UK GILTS PRICES

	Notes	Yield Int	Yield Red	Price £	+ or –	1993/94 High	1993/94 Low
"Shorts" (Lives up to Five Years)							
Treas 8½pc 1994		8.46	5.26	100$\frac{15}{32}$xd		102$\frac{13}{32}$	[illegible]
14½pc 1994‡‡		14.33	5.39	101$\frac{5}{32}$		109¾	101$\frac{5}{32}$
Exch 13½pc 1994		13.20	5.29	102$\frac{9}{32}$		109⅞	101$\frac{13}{32}$
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9pc 2003‡‡		7.12	6.25	112$\frac{15}{32}$	+$\frac{5}{32}$	113$\frac{15}{32}$	97$\frac{5}{32}$
10pc 2003		7.95	6.38	125$\frac{3}{32}$	+⅛	127$\frac{3}{32}$	109⅝
Treas 11½pc 2001-4		8.95	6.48	128$\frac{5}{32}$	+$\frac{1}{16}$	129$\frac{13}{32}$	116⅞
Funding 3½pc '99-4		4.11	5.37	85$\frac{1}{32}$xd	+$\frac{1}{32}$	86$\frac{1}{32}$	67$\frac{13}{32}$
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Index-Linked	(b)						
Treas. 2pc '94	(102.9)	-	-	136$\frac{11}{32}$		136$\frac{11}{32}$	131⅝
2pc '96	(67.9)	1.15	2.07	203	-⅛	204½	194$\frac{11}{32}$
4⅝pc '98‡‡	(135.6)	1.34	1.97	112¾	-$\frac{1}{16}$	113$\frac{3}{32}$	105$\frac{5}{32}$
2½pc '01	(78.3)	2.22	2.58	175¼	-⅛	176$\frac{1}{32}$	159
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Other Fixed Interest

	Notes	Yield Int	Yield Red	Price £	+ or –	1993/94 High	1993/94 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

© The Financial Times Ltd., 1994. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by International Securities Market Association.

COMPANY NEWS: UK AND IRELAND

Shares rise 18p on news of smaller than expected profits fall

David Smith declines to £14m

By Neil Buckley

David S Smith (Holdings), the paper, packaging and [redacted] supplies [redacted] yesterday reported a 10 [redacted] cent fall in interim pre-tax profits from £15.2m [redacted] £13.7m, but said there were signs [redacted] in the [redacted]

[redacted] Peter Williams, chief executive, [redacted] growth in demand in the [redacted] corrugated [redacted] had averaged [redacted] per [redacted] last year, but had reached 8 per [redacted] in recent months. [redacted] had [redacted] been [redacted] "uptick" in France.

"Last [redacted] we [redacted] the UK [redacted] was on the [redacted] but it [redacted] the [redacted]. We [redacted] has [redacted] again," he [redacted]

The profits [redacted] in [redacted] six months [redacted] October 30 was smaller than many analysts had expected, [redacted] the shares [redacted] 18p at 456p.

Group turnover [redacted] per [redacted] (£259m), [redacted] largely [redacted] three-month contri[redacted] Spicers, [redacted] products wholesaler acquired for £91m. Excluding Spicers, turnover was [redacted] cent.

But low paper prices, [redacted] to depressed [redacted] and [redacted]tition from cheap imports from Germany, meant operating profits – excluding [redacted] from Spicers – fell from [redacted] £15.6m. David S [redacted] Packaging, [redacted] Paper, and Kaysersberg in France all reduced their contributions.

The group operating margin, excluding Spicers, fell from [redacted] per [redacted] to [redacted] per cent.

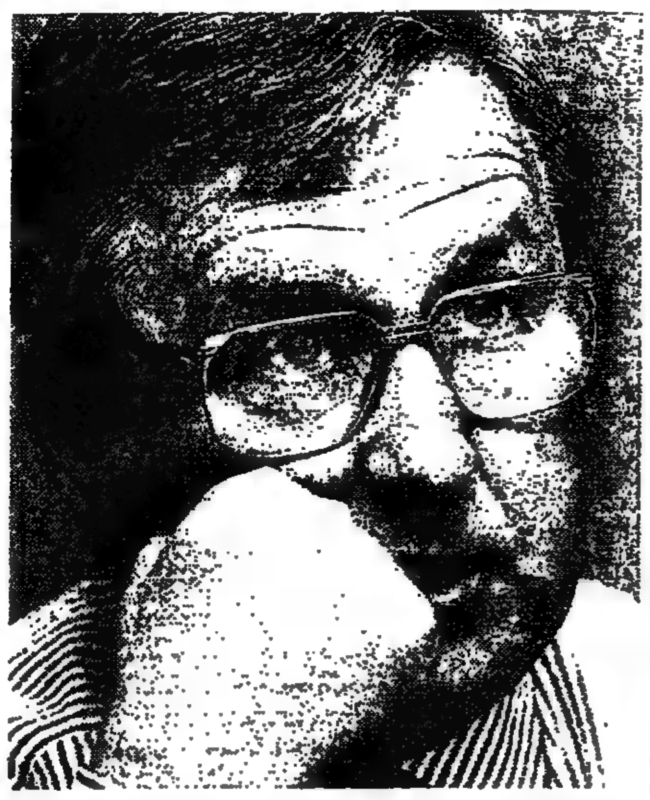
Increased interest charges [redacted] (£4.4m) reflected higher borrowings due to the capital [redacted] programme, likely [redacted] be about £60m this [redacted]

Much [redacted] that has been spent on [redacted] development pro[redacted] Kemsley mill, now completed. Mr Williams [redacted] Kemsley's [redacted] paper machine had started [redacted] in November, and [redacted] on target [redacted] annual production level of [redacted] tonnes of recy[redacted] packaging [redacted]

Earnings fell [redacted] 9.3p (12p), but the interim dividend [redacted] maintained [redacted] 2.75p.

COMMENT

David [redacted] Smith [redacted] "jam tomorrow" story for some time, but yesterday's [redacted] than expected [redacted] at last be on [redacted] way. [redacted] or [redacted] prices [redacted] completion of [redacted] Kemsley mill [redacted]velopment [redacted] operating [redacted] there into [redacted] profit next year, [redacted] gives Smith [redacted] low-cost facility [redacted] compete [redacted] continental European producers. Smith [redacted] successfully integrated Spicers, and [redacted] hopeful of turning around Spicers France. Demand in [redacted] sign of picking up, [redacted] Smith could [redacted] recovery both in the UK [redacted] France. Full-year [redacted] of about £32m put the shares on a prospective multiple of 22 – a substantial premium to the sector – but that falls to 17 on forecasts of £48m in 1995.



Ashley Ashwood

Peter Williams: growing demand in the UK corrugated market

Irish Contl rises to I£4.74m

By Tim [redacted] in Dublin

Irish [redacted] Group, [redacted] largest shipping [redacted] ferry [redacted] operating [redacted] reported a 14.6 [redacted] in pre-tax profits [redacted] I£4.74m (£4.55m) on turnover up 5.8 per cent to I£108.8m, for [redacted] year ended October 31 1993.

[redacted] the turn[redacted] increase [redacted] primarily due [redacted] the [redacted] full year's contribution [redacted] ferries [redacted] in [redacted] bought [redacted] Irish government for [redacted]

[redacted] B&I [redacted] in both [redacted] and cargo [redacted] during [redacted] year, [redacted] its [redacted] operations [redacted] lower [redacted]ger carryings "but [redacted] expectations" [redacted] chartering of one of its ferries for operations [redacted] of [redacted] during [redacted] period.

[redacted] on-roll [redacted] operations [redacted] of the [redacted] ferryport ter[redacted] saw an [redacted] per [redacted] 123,000 units, although conventional [redacted]tainer cargoes [redacted] to 34,000 [redacted] reopening of [redacted]peting [redacted] in [redacted] port after the ending of [redacted] prolonged stevedores [redacted]

[redacted] September [redacted] per [redacted] holding [redacted] Lines, a short-sea European [redacted] shipping service, and last November paid I£55.5m [redacted] ferry [redacted] of Bilbao, [redacted] is operating [redacted] to the Conti[redacted]

Mr [redacted] Rothwell, [redacted] managing director, [redacted] the [redacted] charter was providing a net yield of some 11 [redacted] cent before depreciation.

[redacted] company expects strong growth in [redacted] its [redacted] 1994, [redacted] to [redacted] predicted upturn in the UK economy as [redacted] improved economic outlooks in Ireland [redacted] the [redacted]

Earnings per [redacted] were 27p (21.8p) and a final dividend [redacted] is [redacted] for [redacted] of [redacted] up 24 per cent on the previous 2.42p.

FNFC cuts losses despite commercial lending setback

By Alison Smith

First National Finance Corporation, the [redacted] credit group, yesterday reported pre-tax [redacted] £22.8m [redacted] year to end-Octo[redacted] 1993, [redacted] than half the previous year's deficit of [redacted]

[redacted] responded with a 1p [redacted] to 71p.

The group continued to [redacted] problems [redacted] commercial lending division, where losses increased from £19m to [redacted]

[redacted] November, FNFC [redacted] precaution of issuing a warning [redacted] it expected [redacted] commercial lending [redacted] "somewhat higher" [redacted]

Property [redacted] declined [redacted] to [redacted] group's [redacted] credit business returned [redacted] profit, making £19.7m [redacted] £4.6m in [redacted]

Mr Martin Mays-Smith, chairman, said that the group's strategy [redacted] to build and improve [redacted] credit business with its associated insurance products, while managing down its property activi[redacted] and [redacted] commercial lending portfolio.

Provision for bad and doubtful debts in commercial lend[redacted] amounted to about £20m, following [redacted] £14.2m provision in [redacted] previous year.

The [redacted] taking [redacted] "sterner view" than in [redacted]

FNFC [redacted] not expect [redacted] annual provision [redacted] this [redacted] required "in the [redacted] future", though it [redacted] that it [redacted] difficult [redacted] certain what some of its smaller commercial properties would realise.

The group sees the key to profitability in commercial lending [redacted] valuation.

Despite [redacted] end [redacted] the falls in property prices, Mr Mays-Smith said unemployment and fear of unemployment had had [redacted] continuing [redacted] effect on confidence.

The board is recommending [redacted] final dividend [redacted] 1p, following an interim [redacted] 0.5p, [redacted] enhanced scrip dividend alternative worth 1.5p.

In July, the group agreed [redacted] refinancing deal [redacted] its £1.1bn [redacted] 107 [redacted] banks.

The agreement saved it [redacted] collapse, but [redacted] arranging it are estimated [redacted] amount [redacted] £13m. This [redacted] spread over [redacted] life of [redacted] facilities.

UB takes a larger bite from its Finnish biscuit

Christopher Brown-Humes on a Nordic expansion

United Biscuits, Britain's largest bis[redacted] and snacks [redacted]ufacturer, [redacted] strengthening [redacted] position in [redacted] market by buying [redacted] further 21 per [redacted] of Fazer Biscuits, Finland's leading [redacted] company, [redacted] confectionery [redacted]

The [redacted] UB's holding [redacted] to 70 per [redacted] pur[redacted] in April [redacted]. Acquisition [redacted] being [redacted]

"This [redacted] to majority [redacted] us [redacted] forward our [redacted] strategy [redacted] closer integration [redacted] our Nordic operations and co-operation with [redacted] European biscuit network," [redacted] Mr Hartwig Conzelmann, managing director of McVitie's, UB's biscuits division.

The latest [redacted] hectic three-year expansion period for McVitie's, during [redacted] its [redacted] of the [redacted] biscuit [redacted] from [redacted] per cent [redacted] 47 per cent and annual sales have grown tenfold to [redacted]

The expansion, achieved through acquisitions and organic growth, has been designed [redacted] boost the [redacted]ny's market share and [redacted] overall biscuit consumption in the region. It [redacted] also part of UB's wider thrust to strengthen its position in continental Europe [redacted] is in line with its strategy of obtaining leading positions in the mar[redacted] where [redacted] operates. It also has a dominant [redacted]ence in the Netherlands through Verkade and in Hun[redacted] through Gyori [redacted]

[redacted] purchase of the initial 49 per [redacted] in [redacted] has proved successful. Sales [redacted] the Finnish [redacted] have increased by nearly 50 per [redacted] since [redacted] to [redacted] FM320m (£37m) last year and pre-tax profits have risen nearly five-fold.

Apart from this latest purchase, UB has [redacted] gained full control of [redacted] Biscuits, Denmark's leading biscuit group, and bought [redacted] per [redacted] of Jyväs Hyvä, [redacted] second largest [redacted]. [redacted] expansion has [redacted] less than £50m.

The acquisitions have brought the [redacted] of new products and [redacted] it to build up the position of its own [redacted] by using [redacted] local companies' distribution networks. McVitie's Digestive and [redacted] Nobs, exported from [redacted] UK, are now the top [redacted] in [redacted] Nordic region.

The purchases have also meant [redacted] UB has been [redacted] its Nordic production [redacted] to feed into its own network. For example, the Finnish-produced [redacted] chocolate biscuit was successfully launched [redacted] UK [redacted] year.

McVitie's market [redacted] amounts to 70 per cent in Denmark, 65 per cent in Finland, [redacted] per cent in Sweden [redacted] 21 per cent in Norway. This makes it the region's [redacted] biscuit supplier, [redacted] of the Norwegian group [redacted] has 36 per cent of the [redacted]

The group is confident of further sales and profits growth, partly based on the potential for increasing biscuit consumption in the Nordic region.

"Per capita [redacted] consumption in the Nordic region is between 2kgs-3kgs [redacted] compared [redacted] 14kgs-15kgs [redacted] year in the [redacted] 8kgs-10kgs in Ger[redacted] and France," said [redacted] Topholt Pedersen, managing director [redacted] McVitie's, Nor[redacted] region.

He said Nordic biscuit consumption had grown by an annual 5 per cent over the last three years, despite recession in the region, compared with a static trend during [redacted] 1980s.

[redacted] Humphries

John Warren: group finance director [redacted] United [redacted]

Atreus sales well below estimates

By Peter Pearse

Atreus, [redacted] mirror supplier which came [redacted] in [redacted] via the reverse [redacted] URS International, [redacted] shell company, yesterday [redacted] warning on sale[redacted]

The [redacted] – which was issued after the market had closed – said that while [redacted] the [redacted] ber 31 [redacted] "slightly ahead" of the corresponding period last year, [redacted] were [redacted]tially below expectations".

The shares [redacted] 1p to [redacted]

The company said [redacted] mar[redacted] had come under pressure and the second half would [redacted] now be as profitable, reflecting [redacted] the new initiatives [redacted] taking.

However, [redacted] group said it intended [redacted] final dividend [redacted] 0.527p [redacted] make [redacted] total [redacted] 0.791p for the [redacted]

Minstergate up

[redacted] profit [redacted] the property manager and developer, was £1.28m in the year [redacted] August 31, against £1.2m [redacted] time.

External [redacted] shrank to £3.33m (£5.66m). Earnings leapt to 30.55p (0.72p) per [redacted]

Granada extends LWT offer

By Raymond [redacted]

Granada, the leisure and television group yesterday [redacted] offer worth some [redacted] for London [redacted] Television, after LWT share[redacted] adopted a wait-and-see [redacted]

The number [redacted] acceptances [redacted] by only [redacted] percentage points to [redacted] total of 2.61 per cent. This gives Granada, which bought 17.5 per cent of the company last summer, [redacted] total of [redacted] per cent.

The offer [redacted] extended to January [redacted] – a shorter period [redacted] expected. The current terms are six new Granada [redacted] for every five LWT shares [redacted]

The shorter than expected extension gives Granada the obvious [redacted] final improved offer – something that City analysts believe will be [redacted] clinch [redacted] deal. It might, for example, pay [redacted] final LWT dividend.

[redacted] decision [redacted] been taken on an improvement – Granada wants to wait at least until Friday, the final date for LWT introducing new information.

Another factor [redacted] continuing investigation by the Office of [redacted] Trading.

[redacted] OFT is believed [redacted] looking carefully at [redacted] impli[redacted] for advertising [redacted] takeover.

Last night [redacted] Christopher Bland, chairman of [redacted] (Holdings), said his board believes that "LWT shareholders should [redacted] exchange their investment in a valuable television company for shares in [redacted] conglomerate, [redacted] accept [redacted] poor [redacted] offer. We continue [redacted] advise shareholders to reject [redacted] offer".

Property Trust drops to £0.1m

Profits at Property Trust declined from [redacted] £102,000 pre-tax in the [redacted] months to September 30, though last year's figure was boosted by £900,000 from the sale of development properties.

The company said these sales had the [redacted] of reducing [redacted] receivable in the period under review, which declined from £747,000 [redacted]

It added that [redacted] had been no sales in the [redacted] half and it [redacted] unlikely that there would [redacted] in [redacted] second.

Rather, the company stressed [redacted] it had been buying properties, though the full impact in rental [redacted] would not be reflected in [redacted] accounts until next year.

[redacted] income from the acquired properties [redacted] other proposed acquisitions was currently some £856,000.

The company expects [redacted] accrue net income of some [redacted] a year after interest – [redacted] initial return [redacted] equity of about [redacted] per cent.

[redacted] the benefit of acquisitions [redacted] rental income is expected [redacted] rise by [redacted] 40 [redacted] cent [redacted] more than £2.2m (£1.54m annualised).

Earnings fell [redacted] 0.5p (5.6p).

In December the [redacted] announced [redacted] acquisition [redacted] 207/213 High Street, Dorking, [redacted] the proposed purchase of [redacted] The High Parade, Streatham High Road, London.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. [redacted] meetings are usually held for the purpose of considering dividends.

Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Croy Electronics, Hollas, Jones Stroud, Matthew Clarke, PWS, Real Time Control, Surrey, Wyko.

Finals- Kershaw (A), Microgen, Rank Organisation, Securicor, Security Services, TSB.

FUTURE DATES

Interims-	
Ossjen	Jan. 19
Fleming Emerging Markets	Jan. 25
Hidong Estate	Jan. 21
Menvier-Swain	Jan. 25
Morcles (J)	Jan. 24
Park Food	Jan. 20
Ransom (Wm)	Jan. 20
Wood (JC)	Jan. 20
Finals-	
Assoc British Ports	Mar. 3
Baring Tribune Inv Trust	Feb. 14
Hillsdown	Mar. 10
Rea Bros	Mar. 15

Reuters plans forex TV move

Reuters, [redacted] international [redacted] information and news group, [redacted] to [redacted] financial television service [redacted] the foreign exchange [redacted] around the middle [redacted]

[redacted] service, providing live [redacted] of [redacted] to dealers, will [redacted] foreign exchange traders alongside existing data signals.

It will be initially available in Europe, but will be distributed worldwide in due course.

Hornby link with US toymaker

By Catherine Milton

Hornby Group yesterday announced [redacted] had [redacted] a 10 [redacted] in [redacted] privately-owned Original [redacted] Toymakers. The deal gives the UK company, best known for its [redacted] sets, exclusive UK distribution rights for [redacted] toy company's product [redacted]

The [redacted] includes action figures, talking story [redacted] and talking story "pals" – [redacted] toys [redacted]

[redacted] Saul Jodel, president of Toymakers, [redacted] solidified a long-standing relationship with Hornby, which he described as a quality company: "It gives them the motivation to do a good job with our line because they have a piece of our company."

Mr Jodel founded the company two years ago with Mr David Galoob, chief executive officer. Both had previously been executives with Lewis Galoob Toys, another San Francisco toy [redacted] which is quoted [redacted] the [redacted]

[redacted] Galoob resigned abrubptly [redacted] executive [redacted] at [redacted] Galoob [redacted] June 1991 after the [redacted] was [redacted] by [redacted] of America, [redacted] for alleged copyright violation. [redacted] was subsequently [redacted] in Lewis Galoob's favour.

Mr [redacted] said yesterday [redacted] parting [redacted] man and [redacted] company [redacted] by his family had been a "mutual decision."

Toymakers reported "minor losses" on [redacted] (£4m) in [redacted] and is forecasting [redacted] will treble [redacted] quadruple in [redacted]

Mr Jodel [redacted] No [redacted] Hornby [redacted] avail[redacted]

NEWS DIGEST

Dudley Jenkins 12% ahead

[redacted] of USM-traded Dudley [redacted] from [redacted] to [redacted] pre-tax for [redacted] six [redacted] October 31. Turnover [redacted] compared with [redacted]

[redacted] per [redacted] profits improvement [redacted] "fine tuning" [redacted] operation – [redacted] company's principal activity [redacted] supplying [redacted] mail [redacted]

[redacted] is lifted [redacted] 1.05p, against 1p, [redacted] lower earnings [redacted] share of 2.33p [redacted]

Baring Emerging oversubscribed

The placing and open offer for shares in the recently-launched Baring Emerging Europe Trust raised $124m (£83.7m) and was oversubscribed.

Under the placing, interests [redacted] places [redacted] for 92.5m ordinary shares with [redacted] while [redacted] for subscription for the remaining [redacted] was [redacted] some 2.2 times.

Applicants for the latter will receive [redacted]tion.

Kells Minerals listing restored

Trading in Kells Minerals, the Dublin-based exploration company, was restored yesterday morning.

[redacted] month, [redacted] in [redacted] suspended [redacted] following the [redacted] World Fluids, [redacted] specialist chemicals and additives [redacted]facturer, was coming to the market through its reverse takeover by Kells.

Burmah Castrol in Chinese venture

Burmah Castrol's metallurgi[redacted] chemicals division [redacted] up [redacted] 50:50 joint venture in [redacted]

Burmah [redacted] investing £1.3m in [redacted] new company, [redacted] Jinke, which will make and [redacted] products [redacted] the aluminium industry.

[redacted] partner in the [redacted] Jinke, [redacted] Chinese company jointly [redacted] by [redacted] Park, [redacted] Chinese Academy [redacted] Aluminium.

Initial [redacted] in the project will [redacted] build a new factory [redacted] Shenzhen Jinke's existing production [redacted]

Investment Co net assets rise

[redacted] Company, which [redacted] in preference [redacted] and prior charge [redacted]ments, increased [redacted] per [redacted] to [redacted] 30 1993, [redacted] a year [redacted] 44.78p [redacted]

[redacted] the [redacted] slipped [redacted] earnings per [redacted] 1.32p (1.4p).

[redacted] interim dividend [redacted] at 0.5p.

DIVIDENDS ANNOUNCED

	[redacted] payment	Date [redacted]	[redacted]-ponding [redacted]	Total [redacted]	Total last [redacted]
Bromsgrove [redacted] ....int	1.65†	Apr 6	1.65	-	4.4
[redacted] ....fin	[redacted]	Apr [redacted]	[redacted]	0.825	0.8-
Dudley Jenkins §....int	1.05†	Apr 8	1	-	3.1
[redacted] ....fin	4.53†	Apr [redacted]	[redacted]	[redacted]	[redacted]
[redacted] ....fin	1	[redacted] 2	nil	1.5	nil
Fleming [redacted] ....int	[redacted]	[redacted]	[redacted]	-	[redacted]
[redacted] Durrant ....int	2.2	Feb 18	[redacted]	-	5.4
[redacted] C'tinental....fin	2‡	Mar 31	2.42	3	[redacted]
M&W ....[redacted]	1.9	[redacted] 25	[redacted]	[redacted]	2.5
[redacted] Gordon ....int	1	Apr [redacted]	[redacted]	-	2.2
[redacted] (David [redacted] ....int	2.75†	Mar 14	[redacted]	-	10
[redacted] ....fin	2.45	Mar [redacted]	[redacted]	[redacted]	[redacted]

[redacted] pence [redacted] except where otherwise stated. †On increased capital. §USM stock. ☆ Plus special 2p. ‡Irish pence.

PUBLIC WORKS LOAN BOARD RATES

Effective January 11

Years	Quota [redacted]		
	[redacted]†	[redacted]††	[redacted]§
1			[redacted]
Over 1 up to 2	5⅛	5¼	5½
Over 2 up to 3	5⅜	5⅜	5⅝
Over 3 up to 4	5½	5½	5¾
Over 4 up to 5	5⅝	5⅝	6
Over 5 up to 6	5⅝	5¾	6⅛
Over 6 up to 7	5¾	5¾	6⅜
Over 7 up to 8	5⅞	5⅞	6½
Over 8 up to 9	6	6	6⅝
Over 9 up to 10	6⅛	6⅛	6¾
Over 10 up to 15	6⅛	6⅜	6⅞
Over 15 up to 25	6⅞	6⅞	7
Over 25	7	7	7

*Non-quota loans A are 1 per cent higher and non-quota loans B 2 per cent higher in each case than quota loans. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

This [redacted] appears [redacted] of record only.

THE BANK OF NEW YORK

is pleased to announce the establishment of a

SPONSORED AMERICAN DEPOSITARY RECEIPT (ADR) FACILITY

for

KNP BT

THE BANK OF NEW YORK

For further information regarding The Bank of New York's ADR Services, please contact Kenneth A. Lopian in New York (212) 815-2084, or Michael McAuliffe in London (071) 322-6336.

Correction Notice

U.S. $200,000,000

American Express Bank Ltd.

Floating Rate Subordinated Capital Notes Due 1999

Notice [redacted] hereby given that for the Interest Period [redacted] January, 1994 [redacted] 13th April, 1994 the Notes will bear interest at the rate of 3⅜% per annum. The interest payable on 13th April, 1994 against Coupon No. 28 will be U.S. $84.38 per U.S. $10,000 Nominal and U.S. $2,109.38 per U.S. $250,000 Nominal.

DATED THIS 12TH DAY OF JANUARY, 1994.

Principal Paying Agent

ROYAL BANK OF CANADA EUROPE LIMITED

£3m provision for renegotiating leasing contracts with customers hits outcome

Southern Business falls to £12.2m

By Tim Burt

Southern Business Group, the photocopier and vending machines supplier, blamed a £3m provision for renegotiating leasing contracts with its customers for a 21 per cent fall in annual profits.

In the year to September 30 pre-tax profits fell from £15.3m to £12.2m on flat turnover of £57.7m (£57.3m).

The provision followed the decision last year to make fundamental changes in the way leasing arrangements were marketed and administered.

Such arrangements are being examined by the Office of Fair Trading, which is expected to publish a report next month on the tactics of photocopier companies.

Shortly before the OFT began its inquiry [illegible] year a [illegible] of [illegible] employees resigned or [illegible] after the company admitted improprieties in dealings with some clients. Since then contracts have been overhauled to "ensure continued goodwill" with customers.

Mr David McErlain, chairman and chief executive, [illegible] "During 1993 the emphasis has been on retraining our sales staff. They now operate under a strict code [illegible] conduct."

The group [illegible] renegotiated some [illegible] contracts, [illegible] 30 per cent of the total, and said [illegible] would renegotiate other deals in the next 12 months. The [illegible] said [illegible] future provisions would not exceed £200,000.

Seven former customers, however, are involved in legal action against [illegible] group. They [illegible] seeking damages for alleged [illegible] misrepresentation, but [illegible] total claims [illegible] thought [illegible] than £100,000.

The company [illegible] in [illegible] against [illegible] former [illegible] for alleged breach of agency agreements and breach of confidence.

Mr McErlain [illegible] had not hampered an improvement in [illegible] company's current trading but warned [illegible] would [illegible] tough [illegible] for suppliers.

"We've changed our ways. [illegible] we can now grow [illegible] ing business from rivals," [illegible].

Although earnings per share fell [illegible] 8.44p (10.62p), the company said it was strong enough to [illegible] an [illegible] in its final [illegible] 2.45p making a total of 3.72p (3.38p), a rise of [illegible].

● **COMMENT**

Photocopier leasing companies are still suffering [illegible] reputation [illegible] extracting [illegible] ous [illegible] unwitting customers, [illegible] no exception. Although [illegible] spent [illegible] put its house [illegible] order, continuing legal action has not enhanced [illegible] company's standing. It has, however, made contract changes beyond [illegible] anticipated [illegible] OFT inquiry [illegible] now [illegible] some of the most flexible deals around. Unfortunately, hopes that the changes would make [illegible] the dominant [illegible] the leasing market [illegible] undermined by [illegible] two large US rivals, Alco Standard and Danka. Intensifying competition is expected to keep profits at about £12m, which puts the shares on a prospective multiple of 9.4. Against those flat prospects, the shares, down 2p yesterday at 82p, are not expected to [illegible] a sharp improvement in the year [illegible].

Lex to import Komatsu trucks

By Paul Taylor

Lex Service, [illegible] distribution and leasing group, [illegible] importer [illegible] Komatsu lift [illegible] and [illegible] paying [illegible] to acquire the [illegible] distribution [illegible] of Handling Analysis.

[illegible] has paid [illegible] own [illegible] and importership, [illegible] a further [illegible] involving Handling Analysis' [illegible] hire lift [illegible].

The net [illegible] being acquired [illegible] pre-sale dividend [illegible].

Handling Analysis, [illegible] iary [illegible] Northampton-based [illegible], imports [illegible] lift [illegible] through [illegible] network [illegible] 12 independent [illegible].

In [illegible] it [illegible] a pre-tax profit of [illegible].

The company's [illegible] tomer, representing [illegible] 40 per [illegible] UK sales, [illegible] Harvey [illegible] managed by Lex [illegible] jointly [illegible] and [illegible] Central.

Harvey [illegible] 7,500 lift [illegible] on long [illegible] hire and [illegible] largest [illegible] in [illegible] UK [illegible] 19 depots [illegible] the country.

Harvey buys [illegible] 1,000 lift [illegible] a year [illegible] 40 [illegible] cent [illegible]. The Japanese-based [illegible] third-largest [illegible] manufacturer [illegible] having [illegible] from [illegible] place in [illegible].

[illegible] share of the UK market was about 8 per cent. [illegible] UK [illegible] important European market. In order [illegible] rising [illegible] Japanese group has [illegible] production to Europe in [illegible].

Lex said yesterday that despite [illegible] links [illegible] Analysis [illegible] Harvey Plant, the [illegible] companies [illegible] continue [illegible] be [illegible] independently [illegible] Lex emphasising the development of Handling Analysis' dealer [illegible].

Eurocopy purchase

Eurocopy has acquired Triangle Systems for [illegible] in cash.

Triangle, which supplies and services Ricoh photocopiers and [illegible] machines, made pre-tax profits [illegible] in the [illegible] to September 30.

[illegible] at that date [illegible] to [illegible].

Volatile trading hits Bromsgrove

By Paul Cheeseright, Midlands Correspondent

Interim profits at Bromsgrove Industries [illegible] its operating [illegible] contended with [illegible] trading and continuing pressure on margins.

[illegible] Birmingham-based [illegible] cialist engineer announced pre-[illegible] profits for the half year [illegible] September [illegible] (£4m); turnover expanded [illegible] £57.5m (£53.7m).

Acquisitions contributed £3.67m to turnover and [illegible] to [illegible] pre-tax line.

If non-recurring costs, amounting to £1.1m against [illegible] time, are stripped out [illegible] disparity [illegible] less marked. Profits would have [illegible] against £4.4m.

At [illegible] trading level, [illegible] medical and industrial divisions performed strongly [illegible] automotive and plastics [illegible] steady, but the marine and offshore and environmental divisions [illegible] reduced demand.

Overall operating margins fell from [illegible] to [illegible] per [illegible].

Gearing since the end of the [illegible] half has fallen from [illegible] cent [illegible] 57 per cent and can [illegible] expected [illegible] fall further [illegible] Bromsgrove sells companies it now [illegible] as peripheral [illegible] plan for greater concentration of [illegible] interests. The [illegible] seeking [illegible] larger profit [illegible] from a series of small [illegible] specialist engineering companies.

The interim dividend is maintained at 1.65p, payable [illegible] fully [illegible] earnings [illegible] 3.18p (4.07p) [illegible] share.

Sharp recovery at J Saville Gordon

J [illegible] Gordon, [illegible] property investment [illegible] with [illegible] chanting interests, [illegible] doubling its [illegible] on the back of [illegible] sharp recovery in first [illegible] profits, [illegible] Paul Cheeseright.

Pre-tax profits for [illegible] months [illegible] October [illegible] £2.62m, [illegible].

Earnings [illegible] from 0.85p [illegible] 1.74p; [illegible] interim dividend [illegible] 1p but the company told shareholders "this should not [illegible] in the [illegible] dividend." The [illegible] for [illegible] 2.2p.

[illegible] turnover was [illegible] against [illegible] (£10.4m) [illegible] pipe-[illegible] equipment [illegible] ing subsidiary.

Underlying [illegible] improved performance [illegible] three factors. First, [illegible] was [illegible] rise in property rental income, largely because of rent reviews; this [illegible] continue in [illegible] second half. Second, rising prices in [illegible] property investment market [illegible] encouraged [illegible] group to make sales of properties [illegible] portfolio; there had been [illegible] property trading [illegible] in the comparable half.

The third factor was [illegible] of lower [illegible]. Interest payable fell [illegible] £1.53m. Helped by property sales, gearing fell from 78 per cent to 65 per cent [illegible] period, but [illegible] expected [illegible] rise again in the [illegible] half if [illegible] planned acquisitions [illegible] completed.

"Our property portfolio con[illegible] perform well," [illegible] Mr John Saville, chairman. The group calculates [illegible] the value of its holdings, all of which are outside central London, [illegible] probably increased by about 20 per cent since the last financial year [illegible] investment yields have narrowed.

Sun Alliance breaks lower 10-year trend

By Bethan Hutton

[illegible] Alliance has improved pay-outs for with-profits endowment policies over both 10 and 25 year terms, making it the first insurer to raise its 10-year pay-out so far this year.

The company said the upturn in [illegible] UK equity [illegible] during [illegible] it [illegible] improve maturity values by increasing terminal bonuses, but it has cut reversionary bonuses, which are [illegible] to each policy annually and [illegible] company's [illegible] of likely future investment returns.

The pay-out on [illegible] typical [illegible] year policy, [illegible] out by a 29 year old [illegible] paying [illegible] month is £52,640, [illegible] 5.2 [illegible] cent from last year. The 10-[illegible] pay-out is £6,115, [illegible] 1.8 per cent. However, [illegible] Alliance's maturity values are still at the lower end [illegible] scale: the comparative figures for General Accident [illegible] and £6,567, and for Norwich Union [illegible] and £6,674.

Aer Lingus sees 'turning point'

By Tim Coone in Dublin

Aer Lingus, the Irish state airline, plans to recapture lost market share on its transatlantic services with the announcement yesterday of plans to replace its two ageing Boeing 747s, now in service for 25 years, with three leased Airbus A330s.

New transatlantic fare structures are also to be introduced, alongside a new daily direct service to the US from both Dublin and Shannon.

Mr Bernie Cahill, the chairman who has overseen a complex restructuring plan which was finalised last month, said: "The acquisition of this new transatlantic fleet and the unveiling of the new plans for the Aer Lingus operation marks the turning point in what has been a difficult and testing time for the airline".

The restructuring plan involved cutting I£50m (£48m) in annual operating [illegible] through 800 voluntary redundancies and changes in work practices, in return for which the government is to provide a total of I£175m in new equity over the next two years.

Aer Lingus said it will increase its promotional spend in the US market by 75 per cent this year, and is to offer fare reductions of between 10 and 20 per cent into Ireland from the US.

The company "is aiming for a general growth in leisure traffic as a result of the competitive fares which will arise from a lower cost base . . . a key objective of the new Aer Lingus schedule is to reverse the trend of US traffic to Ireland via London, Manchester and other UK points".

In 1992-93 the airline's transatlantic services incurred an operating loss of I£13m. A total of 4.3m passengers were carried with a load factor of 71 per cent.

Trevor Humphries

First Leisure gets into shape

First Leisure, [illegible] discotheques, bowling [illegible] tourist attractions group, is entering the health and [illegible] market with the acquisition of a 75 per cent stake in the Royal County of Berkshire Racquets and Health Club.

Directors Lord [illegible] chairman (above [illegible]), Mr John [illegible] chief [illegible] (centre), [illegible] Mr Graham Coles, finance director (right), [illegible] yesterday that the group intended to build further health clubs over the next few years.

Mr Conlan said he regarded health and fitness as a growing leisure market.

First Leisure is paying £5.3m cash for the Berkshire complex, with a further payment of £1.9m due after completion of the audit of the club accounts for the year ending October 31 1994. The deferred payment is dependent on the club achieving growth of £300,000 in operating profit.

The club earned pre-tax profit of £200,000 on [illegible] of [illegible] in the year ended [illegible] 31 1993. It has net bank borrowings [illegible] £3.9m and membership debentures totalling [illegible].

The club has [illegible]. Its facilities include 20 tennis courts, an indoor swimming pool, badminton and squash courts and gymnasium.

Hoskins holders back transformation plan

By Catherine Milton

Mr Howard Hodgson, the ebullient former funeral director, has received shareholders' backing to transform a tiny USM-traded brewery into a tobacco accessories and airport shops supplier.

A special meeting yesterday approved the change of name from Hoskins Brewery to Halkin Holdings. Trading in both the existing shares and those issued to fund the metamorphosis is set to begin on the Official List this morning.

Some 25m new shares at 68p by have been issued by way of a placing, subscription and rights issue to raise £15m. The issue price compares with a price of 78p on Tuesday when the shares were suspended.

Shareholders supported all the resolutions put forward. These included the £10m cash acquisition of the business of Ronson, [illegible] manufacturer of cigarette lighters and other smokers' requisites and the £9.5m partial cash alternative offer for LGW, the airport shops supplier.

[illegible] Ronson acquisition, upon which the LGW acquisition is conditional, is expected to be completed today.

Sale of cash and carry side boosts M&W

[illegible] the Southampton-based convenience store [illegible], reported pre-tax profits ahead by 37 per cent at £2.77m for the 53 weeks to October 31, against £2.03m.

The result was boosted by exceptional income of £465,000, mainly resulting from the sale of its cash and carry activities in July, compared with [illegible] last time.

Turnover was [illegible] (£72.5m) of which £8.09m (£10.4m) [illegible] discontinued activities. Continuing activities showed an increase [illegible] 15 per [illegible].

During the period [illegible] were opened or acquired [illegible] one [illegible] taking the total [illegible] 111.

Sales on [illegible] like-for-like basis rose 4.7 per cent.

Earnings per share came out [illegible] (8.17p) and the proposed final dividend is 1.9p for a total of 3p (2.5p).

Goode Durrant rises after realignment

By Andrew Bolger

[illegible] in [illegible] by 10p to 151p yesterday after [illegible] industrial holding company said improvements resulting [illegible] the realignment of activities were beginning to show through.

Pre-tax profits jumped [illegible] in [illegible] six months to October [illegible] including a [illegible] exceptional credit [illegible] Laidlaw [illegible] subsidiary [illegible] Quicks [illegible] June. [illegible] mainly due [illegible] the sale.

Mr Michael Waring, chief executive, [illegible] Northgate, the [illegible] commercial vehicle hire business, [illegible] pre-[illegible] profits [illegible] marginally to 92 [illegible] cent, and [illegible] had firmed as customers, who were overwhelmingly business users, increased their activity levels.

Northgate [illegible] successfully integrated two small acquisitions announced in October, Trukvan Rental [illegible] Bowey [illegible]. It was a priority to extend the network nationally, both organically and by acquisition.

The equipment hire [illegible] a pre-tax profit of £279,000, compared [illegible] a loss [illegible] previously, [illegible] Ravenstock business had [illegible] to profit.

Rawlings, [illegible] housebuilding [illegible] construction business which [illegible] earmarked for disposal, [illegible] pre-tax profits of £134,00, compared with a £179,000 loss.

Earnings per share to rose 5.8p (2.3p). Stripping out the exceptional, earnings rose to 5p. [illegible] to 2.2p (2.15p).

Fleming Geared shows 25% jump in net assets

Fleming Geared Income and Assets Investment Trust raised net asset value per share by 25 per cent to 291.6p at the end of November, against 233.7p a year earlier.

[illegible] revenue for [illegible] six months [illegible] November 30 slipped from £1m to £944,000, giving earnings per share of 6.12p (6.66p). The interim dividend is 0.75p (2.97p) and there is a special [illegible] arising from larger than expected non-recurring accrued income received on redemption in specie [illegible] unit trusts.

At the last year end, [illegible] trust's sole investments [illegible] three unit [illegible] then [illegible] have [illegible] redeemed in specie [illegible] the third [illegible] for cash.

The company [illegible] now invested in UK company shares.

The directors said they still considered that their forecast current year [illegible], excluding the special, to be the [illegible] level from which dividends should be able to grow in subsequent years.

NEWS IN BRIEF

BIBBY DISTRIBUTION [illegible] acquired Alexandra Molyneux Haulage for an undisclosed sum. [illegible] AMH [illegible] an annual turnover [illegible].

BIRSE has received applications for [illegible] (26.1 [illegible] cent) [illegible] under [illegible]. Following [illegible] placing and [illegible] financial restructuring, [illegible] Birse, [illegible] and [illegible] trusts will [illegible] per cent of the company's [illegible] capital, Midland Bank [illegible] per cent and Bilfinger & Berger, [illegible] contractor, 9.7 per cent.

BOURNE END Properties: has [illegible] acceptances for 24.1m [illegible] representing some [illegible] rights [illegible]. The remaining [illegible] have [illegible] sold at [illegible].

BOWTHORPE: of [illegible] ordinary [illegible] by way of rights, valid acceptances [illegible] received in respect [illegible] 18.1m shares, representing 87.5 per [illegible].

BUSINESS TECHNOLOGY [illegible] applications [illegible] 12.8m [illegible] under [illegible] offer, [illegible] cent.

COURTAULDS [illegible] to purchase [illegible] Dentelles Calaisiennes, a French [illegible] making business, [illegible] cash. The [illegible] will [illegible] integrated into Courtaulds' existing French lace business, Des[illegible].

GWR [illegible] its recent acquisition [illegible] Radio Trent, Mercia Sound and [illegible] has [illegible] taken [illegible] in respect of 1.34m ordinary shares, [illegible] of the [illegible] available.

[illegible] Group [illegible] shares (97 [illegible] cent) in [illegible] rights [illegible] taken up.

HILCLARE investors have taken up 79.4 per cent of the rights issue, representing 849,182 [illegible] ordinary [illegible] out [illegible] a possible [illegible] 1.07m.

[illegible] created [illegible] joint [illegible] with Royal [illegible] nance [illegible] Aero[illegible] mineral acids involving [illegible] of [illegible] capacity.

MEPC [illegible] purchased 8,200 ordinary shares of [illegible] each [illegible] Group, eliminating [illegible] minority interest. [illegible] by [illegible] of [illegible] ordinary [illegible] of [illegible] in MEPC.

[illegible], [illegible] subsidiary [illegible] UniChem, [illegible] acquired A & H Dunn for [illegible] maximum [illegible] £767,000. Consideration will [illegible] by [illegible] of [illegible] ordinary [illegible] in [illegible]. Dunn owns two pharmacy interests in Glasgow.

NFC: [illegible] new ordinary [illegible] provisionally allotted by [illegible] rights and the BZW [illegible] offer, [illegible] cent, [illegible] new ordinary [illegible] have [illegible] taken up.

PROTEAN: Applications received [illegible] 4.69m ordinary shares (90.7 [illegible] cent) under [illegible] with acquisition of [illegible] Corporation [illegible] Equipment & Services [illegible] cash placing. Remaining shares will [illegible] by institutional investors.

SETON HEALTHCARE [illegible] paying [illegible] Colman [illegible] licence to make [illegible] Pripsen in [illegible] UK [illegible] Republic, together with an option [illegible] acquire the [illegible] manufacturing [illegible] rights [illegible] brand in these territories. Pripsen is [illegible] for intestinal worm infestations.

SHAFTESBURY [illegible] management contract [illegible] Island site in London [illegible] for four [illegible] by [illegible] receivers.

SHERWOOD director MJ [illegible] and his wife have [illegible] ordinary at 154p [illegible].

WEST TRUST shareholders [illegible] up 11.98m new ordinary shares, 81 per cent of the rights issue. The [illegible] been placed with [illegible].

FT CURRENCY EXCHANGE RATES
supplied directly to your PC

FINSTAT
Electronic Currency Feed

With FINSTAT, you have direct access to the Financial Times currency tables - online or on disk. No more keying data into your system or clipping and archiving daily tables.

FINSTAT delivers data the evening before it is published in the FT

FINSTAT will give you:
- Sterling & US dollar exchange rates
- Spot and forward rates
- Eurocurrency interest rates
- ECU exchange rates
- Historical data
- Spreadsheet compatible
- Full Helpdesk support

Ensure Accuracy - Save Time

For information on FINSTAT contact Karen Bidmead on:
Tel: +44 71 873 4613
Fax: +44 71 873 4610

FINSTAT
FINANCIAL TIMES INFORMATION SERVICES
Number One, Southwark Bridge
London SE1 9HL

[illegible]

Want to get cheaper electricity?
[illegible]
423 3018
Powerline

Commonwealth Bank Australia
Commonwealth [illegible] of Australia
A.C.N. 123 123 124
incorporated in Australia with limited liability

U.S. $72,750,000
Undated Floating Rate Notes
exchangeable into Dated Floating Rate Notes
and
U.S. $227,250,000
Floating Rate Dated Notes due 13th July [illegible]
exchangeable into Undated Floating Rate Notes

[illegible] Rate	
[illegible] Notes	[illegible]% per annum (LIBOR 3.4375% + 0.15%)
Dated [illegible]	3.4375% per annum (LIBOR 3.4375%)
[illegible] Period	13th January 1994 to but excluding [illegible] July [illegible]
[illegible] Amount [illegible] [illegible] July [illegible]	
[illegible]	
per U.S.$ 10,000 Note	U.S.$180.37
per U.S. [illegible]	U.S. [illegible]
Dated [illegible]	
per U.S.$ 10,000 [illegible]	U.S.$172.83
per U.S. [illegible] Note	U.S.$4,320.75

CS First Boston
Agent

KOREA GROWTH TRUST
International Depositary Receipts evidencing
[illegible] representing 1,000 [illegible]

Notice is hereby given to the Unitholders that Korea Growth Trust, managed by [illegible] Investment Trust Management Co. Ltd., declared a distribution of won 321,000 per IDR of 1,000 [illegible] payable [illegible] or after February 3, 1994.

Payment [illegible] coupon number 4 of the International Depositary Receipts will be made in US dollars at one of the following offices [illegible] Morgan Guaranty Trust Company of New York:

New York	30,	West Broadway
Brussels	35,	Avenue des Arts
London	60,	Victoria Embankment
Frankfurt	44/46,	Mainzer Landstrasse
Zurich	38,	Stockerstrasse

The amount of dollars shall be the net proceeds of the sale by the Fund of the won amount to a foreign exchange bank in the Republic of Korea at its "spot rate" on February 3, 1994.

The proceeds of the coupons presented after February 3, 1994, will be converted into US [illegible] prevailing [illegible] the day following their presentation, and will [illegible] to [illegible] in proportion [illegible] respective entitlements and after [illegible] of all taxes and charges of the Depositary.

Holders residing in a country having a double taxation treaty with the Republic of Korea may [illegible] of their coupons at a [illegible] of the Korean non-resident withholding tax, on condition they furnish to either the Depositary or through one of the designated sub paying [illegible] a certificate showing their [illegible] together with a [illegible] certificate [illegible] incorporation or a copy of the passport for individuals. Those documents are requested by the Korean National Tax Administration Office as evidence of residence and without them the full [illegible] of [illegible] withholding [illegible].

With respect to the Korea Growth Trust Prospectus and pursuant to clause 18(D) of the Trust Deed notice is also given that, as from June 30, 1994, payment of coupon number [illegible] will be [illegible] under deduction of [illegible] pct of [illegible] withholding tax.

Depositary. Morgan Guaranty [illegible] Company of [illegible] York
35, [illegible] Arts, B-1040 [illegible]

COMMODITIES [illegible] AGRICULTURE

Speculators push up metal prices

By Kenneth Gooding, Mining Correspondent

Speculators are ignoring the fundamentally poor outlook for base [illegible] and driving up prices on the London Metal Exchange, [illegible] and analysts suggest. The trend could [illegible] reversed very quickly, they point out.

"Metals [illegible] cheap compared with the [illegible] bond markets [illegible] little money can [illegible] prices quite [illegible] long way," Mr [illegible] Bielski, analyst [illegible] Bain [illegible] Co, part [illegible] the Deut[illegible] group, said [illegible] night. "Any speculator [illegible] bought [illegible] the lows and sold at [illegible] highs today would have [illegible] a tidy profit."

Traders said [illegible] only solid buying yesterday was in the copper market, where some investment funds were influ[illegible] by strengthening demand for the metal in [illegible] and [illegible] fall in [illegible] York Commodity Exchange [illegible] levels.

Mr [illegible] pointed out that nickel [illegible] "star performer" in the present rally, having moved up by 50 per [illegible] from [illegible] lows in [illegible] even though the metal's prospects had been deteriorating.

Nickel for delivery in three months closed last night another [illegible] up [illegible] $5,707.50 [illegible] tonne, having jumped by nearly 8 per cent since Friday's close. Three-month copper [illegible] $37.75 a tonne yesterday to [illegible] $1,800.5, up by [illegible] per cent since Friday.

Indonesian copper/gold reserve estimates lifted

[illegible] Kenneth Gooding

Further confirmation came yesterday [illegible] highlands of Irian Jaya [illegible] Indonesia contain [illegible] of [illegible] world's great copper-gold [illegible] bodies.

Freeport-McMoRan Copper [illegible] Gold revealed that proven and probable reserves at the Ertsberg/Grasberg mining complex there [illegible] substantially in [illegible] past [illegible] the current US$140m expansion programme [illegible] schedule [illegible] annual pro[illegible] about 1.1bn [illegible] copper [illegible] 1.5m troy [illegible] gold in [illegible]. This will [illegible] complex [illegible] world's [illegible]ond-largest copper producer – accounting for about 5 per [illegible] of western world [illegible] – and [illegible] the top [illegible] gold producers.

[illegible] year Ertsberg/Grasberg [illegible] of copper and [illegible] ounces of gold.

Grasberg already had the largest published gold reserve of [illegible] single operating mine. Freeport said yesterday [illegible] in the past year another 7m ounces had [illegible] discovered, boosting [illegible] by [illegible] cent [illegible]. Copper [illegible] up by 28 [illegible] cent, [illegible] lb, to [illegible] silver [illegible] jumped by [illegible] per cent, [illegible] 32m [illegible] 76.7m [illegible].

[illegible] the expanded capacity the increased reserves give the mine a life of about 25.5 years but Freeport continues [illegible] explore – it [illegible] drilling rigs in operation.

Freeport also announced [illegible] fourth-quarter 1993 [illegible] would be about [illegible] cents a share compared [illegible] in [illegible] 1992.

The [illegible] figure includes an estimated $9m loss [illegible] Tinto [illegible] in Spain, which Freeport acquired [illegible] year [illegible] have "captive" [illegible] smelting capacity for some of [illegible]nesian concentrate (an inter[illegible] material).

Freeport Copper, [illegible] per [illegible] owned by Freeport-McMoRan, another [illegible] quoted group, in turn controls [illegible] per cent of Freeport Indonesia, which [illegible] and operates the Ertsberg/Grasberg complex.

Adding value to the sweet-talk

Alison Maitland meets [illegible] man who is undaunted by the task of reviving the fortunes of the International Sugar Organisation

Dr [illegible] Baron, [illegible] executive director [illegible] the International Sugar Organisation, likes to look [illegible] the bright side. [illegible] professes to [illegible] "one [illegible] the few who like Canary Wharf," [illegible] controversial [illegible] London development [illegible] which the [illegible] headquarters. "It's [illegible] 21st century here," he [illegible], surveying [illegible] Thames and [illegible] adjacent muddy building [illegible] from the fifth floor [illegible] in which [illegible] up [illegible] the [illegible] the [illegible].

The German-born [illegible]ity expert's cheery outlook could be [illegible] the reins [illegible] organisation struggling [illegible] a series of setbacks that threat[illegible] its survival.

"It [illegible] a [illegible] challenge for me [illegible] back," [illegible] Dr [illegible] run German [illegible] policy in [illegible] for [illegible] past [illegible] years, [illegible] 15 years [illegible] his country's [illegible] representative [illegible] the world's [illegible] commodity meetings.

[illegible] chairman of [illegible] Cocoa Council in London in [illegible] presided [illegible] the United Nations sugar confer[illegible] in Geneva [illegible] 1992, [illegible] hammered out a new five-year agreement.

"I love [illegible] international commodity business and I jumped [illegible] chance. It [illegible] a particular challenge to [illegible] an organisation under difficult circumstances."

A financial crisis in 1992, precipitated by defaults in subscription payments, took [illegible] the brink of liquidation. Then, when [illegible] new [illegible] agreement was reached, the US [illegible] proposal [illegible] downgrade [illegible] body to [illegible] study [illegible] rejected.

[illegible] a study [illegible] is [illegible] body has effectively become. [illegible] US move coincided with a growing rejec[illegible] by governments of international commodity agree[illegible] grounds that [illegible] market, rather than [illegible] stocks and quotas, would [illegible] effective [illegible] balancing supply [illegible] demand.

International sugar agree[illegible] stripped of economic [illegible] for intervening [illegible] market in 1985, following the failure of buffer stocks [illegible] the [illegible] in [illegible] 1970s [illegible].

A further [illegible] standing was the break-up [illegible] the Soviet Union, which [illegible] a drop in votes of more than 10 per cent. Today [illegible] organisation has just 30 members, [illegible]pared with 59 in 1982, when the [illegible] agreement still [illegible]tained economic measures, [illegible] 42 in 1992.

[illegible] is undaunted. "Let's start with [illegible] good news," he says. "Ecuador joined a few days ago."

[illegible] recruitment of [illegible] members as [illegible] of his most important tasks. "The more members we have, the [illegible] more reliable [illegible] studies because [illegible]bers have to give us their sta[illegible] data. [illegible] safe [illegible] base. The [illegible] members share the burden, [illegible] less individual members have [illegible]."

[illegible] is [illegible] a vote, with smaller countries having [illegible] least six votes while [illegible] European Union, [illegible] largest [illegible]ber, has 413 [illegible] of [illegible] 1,834.

Dr Baron, whose appointment [illegible] the [illegible] year of [illegible] predecessor, [illegible] Ricart, hopes [illegible] per[illegible] US, [illegible] well [illegible] and the Philippines, which [illegible] same time, [illegible] fold. [illegible] aims [illegible] win [illegible] Russia [illegible] Ukraine [illegible] has had "very encouraging contacts" with [illegible] League states, which [illegible] big [illegible].

"The key question is [illegible] can convince [illegible] bosses, the governments, [illegible] it's [illegible] having membership [illegible] continuing [illegible] subscribe," [illegible] Chris [illegible] of research at Czarnikow, [illegible] house.

The [illegible] a budget of just [illegible]. It [illegible] still [illegible] £250,000 in subscription [illegible], some [illegible] and [illegible] from 29 [illegible] 10 in [illegible].

"It's [illegible] the expectations [illegible] budget," [illegible] Dr [illegible] "But [illegible] a couple [illegible] them we're worth [illegible] and [illegible] bit more."

The [illegible] "the [illegible] in [illegible] worldwide", [illegible], pointing to [illegible] book" [illegible] on production, consumption, imports, exports and [illegible] country, [illegible] regular publications, international [illegible] and [illegible] analysis.

Another [illegible] his objectives [illegible] help [illegible] sugar consumption, growing by about 2 per [illegible] globally, by explor[illegible] for sugar.

Mr [illegible] Czarnikow [illegible] Dr Baron [illegible] the man for the job, although [illegible] what new functions the [illegible] organisation might [illegible] on.

"He's got [illegible] reputation [illegible] hard [illegible] and [illegible] of German thoroughness. [illegible] there's a role [illegible] ISO to play then he will spend [illegible] great deal of [illegible] finding it."

[illegible] "It [illegible] particular [illegible] take over an organisation [illegible] difficult circumstances."

Outlook brightens for New Zealand livestock sector

By Terry Hall in Wellington

New [illegible] sheep [illegible] looking forward [illegible] a bonanza year [illegible] a happy coincidence of excellent weather, [illegible] improving interna[illegible] climate and [illegible] settlement in [illegible] General Agreement on Tariffs [illegible].

Mr Rob Davison, director of the [illegible] Wool Board's Economic Service, yesterday predicted [illegible] the average farm's pre-tax profits would rise by about [illegible] per cent to NZ$42,300 (£15,900), which would [illegible] the highest level since [illegible] 1984-85 season.

Mr Davison [illegible] the year's start was "excellent by all measures". Cattle [illegible] in good condition [illegible] numbers and condition [illegible] was greatly improved [illegible] last season. He suggested [illegible] there [illegible] rebuilding of the [illegible] sheep flock, which [illegible] to 50.3m [illegible] year, [illegible] 30-year low.

Over the past decade sheep numbers [illegible] fallen by 20m, [illegible] all-time high of [illegible] in 1983, [illegible] reaction [illegible] a combination of low wool prices and adverse weather conditions that has encouraged farmers to switch [illegible] dairying and forestry.

Good seasonal conditions were expected to [illegible] the wool clip and provide a 7 per cent rise in production, Mr Davison said. Wool prices [illegible] volatile but were expected [illegible] show [illegible] underlying upward trend.

In a separate report [illegible] said that [illegible] market indicator, [illegible] price [illegible] wool per kilogram, was 400 [illegible] cents [illegible] December 30, [illegible]pared with the board's [illegible] forecast 400 to 425 cents. [illegible] review of [illegible] first six [illegible] of [illegible] season the board [illegible] expected prices [illegible] continue [illegible] improve over the rest of the season to [illegible] 30. It said it was sticking with its predic[illegible] of an average price [illegible] season of [illegible] 425 cents a kilogram.

In his report Mr Davison [illegible] farmers should expect good prices [illegible] for lamb and sheep, [illegible] by [illegible] further [illegible] per [illegible].

"The outlook [illegible] sheep prod[illegible] is good. Though [illegible] prices [illegible] low [illegible] fourth consecutive year, growth [illegible] and lower wool supplies [illegible] expected [illegible] prices [illegible] years," he explained.

"The [illegible] agreement provides optimism for the future, though [illegible] the current year access problems remain." Last week [illegible] confirmed [illegible] was reducing the amount of [illegible] buy from New Zealand in [illegible] coming [illegible].

"The [illegible] prospect [illegible] for [illegible] competition from subsi[illegible] producers, which [illegible] leading [illegible] surpluses [illegible] world [illegible] and lower prices," Mr [illegible] said. [illegible] Zealand farmers operate without [illegible] of any [illegible].

Discussing [illegible] prices, Mr [illegible] said [illegible] certain. "Prices [illegible] are expected to ease by 5 to 8 per [illegible] from lost [illegible], but will [illegible] good level [illegible] the fifth consecutive year," he said.

European Court to rule on quota compensation

By Deborah Hargreaves

The European Court is being asked [illegible] decide whether the British government [illegible] a [illegible] to force tenant [illegible] compensate land[illegible] when they transfer European [illegible] quotas elsewhere.

A judicial review sought by the Country Landowners Association, which [illegible] holdings [illegible] uncommercial if farmers transfer [illegible] sell quotas on giving up the land, yesterday transferred the case to [illegible] European Court. This could mean a delay of [illegible] months [illegible] it is heard.

COMMODITIES PRICES

BASE METALS

LONDON [illegible] EXCHANGE

(Prices from Am[illegible] Metal Trading)

■ ALUMINIUM, [illegible] PURITY ($ per tonne)

	Cash	3 mths
Close	1155-6	1019-9.5
Previous	1163.5-4.5	1170-1
High/low		1178/1163
AM Official	[illegible]	1170-1
Kerb close		1167.5-68
Open int.	282,761	
Total daily turnover	56,821	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	922-7	1015-20
Previous	987-92	1013-4
High/low		[illegible]
AM Official	993-5	1017-8
Kerb close		1015-18
Open int.	2,740	
Total daily turnover	692	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	478-9	491-2
Previous	472.5-3.5	[illegible]
High/low		[illegible]
AM Official	479-80	492-3
Kerb close		490-91
Open int.	31,408	
[illegible] daily turnover	5,665	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5640-50	5705-10
Previous	[illegible]	[illegible]
High/low	5720	5785/5510
AM Official	5715-20	5785-90
Kerb close		5680-65
Open int.	52,888	
Total daily turnover	[illegible]	

■ TIN ($ per tonne)

	Cash	3 mths
Close	4845-55	4900-5
Previous	4760-70	4810-20
High/low		4920/4825
AM Official	[illegible]	4820-5
Kerb close		[illegible]
Open int.	16,456	
Total daily turnover	3,463	

■ ZINC, special high grade [illegible] per tonne)

	Cash	3 mths
Close	[illegible]	[illegible]
Previous	981-3	1000-2
High/low		1020/994
AM Official	998-9	1018-9
Kerb close		1014-15
[illegible] int.	99,779	
Total daily turnover	22,706	

■ COPPER, grade [illegible] ($ per tonne)

	Cash	3 mths
Close	1778-9	1800-1
Previous	1750.5-1.5	1772.5-3.0
High/low	1763	[illegible]
AM Official	1762-3	1788-9
Kerb close		1791-92
Open int.	252,941	
Total daily turnover	70,249	

■ LME AM Official £/$ rate: 1.5000
LME Closing £/$ rate: 1.5029

Spot:1.5018 3 mths:1.4936 6 mths:1.4888 9 mths:1.4818

■ HIGH GRADE COPPER (COMEX)

	Close	Day's [illegible]	High	[illegible]	Open int	Vol
Jan	81.20	+0.25	81.90	81.20	1,148	221
Feb	81.10	+0.10	81.20	81.20	1,293	27
Mar	[illegible]	+0.15	82.40	81.25	39,921	[illegible]
Apr	[illegible]	+0.15	-	-	720	20
May	81.65	+0.15	82.65	[illegible]	8,357	559
Jun	81.75	[illegible]	[illegible]	82.55	834	6
Total					[illegible]	[illegible]

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied [illegible] N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	386.00-386.40	
Opening	386.30-387.00	
Morning fix	386.60	258.280
Afternoon fix	386.10	257.006
Day's High	387.60-388.00	
Day's Low	385.60-386.00	
Previous close	385.00-385.50	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.72	6 months	2.74
2 months	2.72	[illegible]	2.76
3 months	2.71		

Silver Fix	p/troy oz.	US cts equiv.
Spot	340.90	510.50
3 months	345.25	514.20
6 months	349.60	518.45
1 year	358.00	527.75

Gold Coins	$ price	£ equiv.
Krugerrand	388-391	260-262
Maple Leaf	397.35-399.85	
New Sovereign	89-92	59-62

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jan	386.3	-1.7	-	-	[illegible]	28,574
Feb	386.9	-1.8	[illegible]	385.0	31	5
[illegible]	387.8	-1.8	389.2	386.2	[illegible]	5,876
[illegible]	[illegible]	-1.8	389.9	[illegible]	23,550	[illegible]
[illegible]	[illegible]	-1.8	391.8	[illegible]	[illegible]	2,564
[illegible]	[illegible]	-1.8	[illegible]	391.0	3,281	1,393
Total					[illegible]	[illegible]

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jan	386.5	-1.9	-	-	[illegible]	-
[illegible]	[illegible]	-1.9	[illegible]	[illegible]	16,418	[illegible]
Jul	390.1	-1.8	[illegible]	390.0	[illegible]	[illegible]
[illegible]	391.1	-1.7	[illegible]	393.0	245	-
[illegible]	393.0	-1.7	395.0	[illegible]	136	1
Total					[illegible]	[illegible]

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Mar	[illegible]	-0.35	-	-	[illegible]	215
Jun	[illegible]	[illegible]	[illegible]	[illegible]	718	89
[illegible]	[illegible]	[illegible]	[illegible]	122.75	[illegible]	82
Dec	122.40	+0.50	-	-	74	5
Total					[illegible]	331

■ SILVER COMEX (100 Troy [illegible] $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Jan	507.5	-3.4	-	-	[illegible]	[illegible]
Feb	508.6	-3.5	-	-	[illegible]	-
[illegible]	510.0	-3.5	518.9	508.5	89,856	17,308
[illegible]	513.3	-3.5	517.5	512.0	12,318	1,546
[illegible]	[illegible]	-3.5	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	-3.5	-	-	[illegible]	[illegible]
Total					[illegible]	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	[illegible] price	[illegible]	High	Low	Open int	Vol
Feb	14.56	[illegible]	15.05	14.44	82,746	[illegible]
Mar	14.83	[illegible]	15.29	14.68	84,772	[illegible]
Apr	[illegible]	-0.26	15.41	[illegible]	[illegible]	[illegible]
May	15.25	-0.26	15.55	15.10	29,118	4,940
Jun	15.44	-0.27	15.80	15.37	37,956	2,180
[illegible]	15.65	-0.25	[illegible]	[illegible]	16,875	1,741
Total					[illegible]	[illegible]

■ CRUDE OIL IPE ($/barrel)

	Latest price	[illegible]	High	Low	Open int	Vol
Feb	[illegible]	-0.15	14.00	[illegible]	53,064	[illegible]
Mar	[illegible]	-0.17	14.02	[illegible]	62,009	[illegible]
Apr	13.81	-0.16	14.17	[illegible]	20,442	2,151
May	13.96	-0.27	14.30	[illegible]	8,535	475
[illegible]	14.30	-0.13	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	206
Total					[illegible]	[illegible]

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
[illegible]	48.65	+0.23	49.20	48.15	49,816	25,014
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15,471
Apr	44.80	-0.70	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	27,161	[illegible]
Jun	44.40	-0.50	45.10	44.30	19,834	[illegible]
Jul	45.10	-0.35	45.50	45.00	13,980	[illegible]
Total					201,514	[illegible]

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	143.00	[illegible]	[illegible]	[illegible]	[illegible]	13,114
Apr	[illegible]	[illegible]	144.50	[illegible]	18,563	[illegible]
[illegible]	[illegible]	-150	[illegible]	142.50	11,473	2,018
Jun	[illegible]	-175	145.75	142.75	7,044	762
Jul	[illegible]	-175	147.50	145.25	12,905	909
Total					116,106	[illegible]

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	[illegible]	Day's [illegible]	[illegible]	Low	Open [illegible]	[illegible]
[illegible]	[illegible]	+0.011	[illegible]	2.220	[illegible]	[illegible]
Mar	[illegible]	[illegible]	2.145	[illegible]	[illegible]	5,741
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	+0.005	[illegible]	[illegible]	[illegible]	1,073
[illegible]	1.995	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jul	1.995	+0.004	[illegible]	[illegible]	[illegible]	1,127
Total					120,359	29,893

■ UNLEADED GASOLINE

NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	[illegible]	Open int	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	41.40	[illegible]	14,648
Mar	42.50	[illegible]	[illegible]	42.40	32,916	8,270
Apr	45.50	-0.88	[illegible]	45.45	25,850	[illegible]
[illegible]	46.35	-0.78	[illegible]	[illegible]	[illegible]	[illegible]
Jun	46.95	[illegible]	48.00	[illegible]	9,990	778
Jul	47.55	-0.54	47.55	47.55	2,557	82
Total					[illegible]	[illegible]

GRAINS [illegible] OIL [illegible]

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	100.00	99.80	80	72
[illegible]	101.10	[illegible]	101.35	101.00	2,010	[illegible]
May	102.15	+0.15	[illegible]	102.05	[illegible]	[illegible]
Jun	102.35	-0.20	102.75	[illegible]	152	40
[illegible]	91.60	-0.30	92.25	91.65	129	23
Nov	92.65	-0.35	[illegible]	92.80	[illegible]	112
Total					[illegible]	372

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	387/6	+2/0	[illegible]	[illegible]	151,015	[illegible]
May	364/4	+1/6	[illegible]	362/6	45,560	5,975
Jul	350/2	+4/0	[illegible]	[illegible]	65,660	8,515
Sep	351/4	+3/4	352/6	348/4	[illegible]	[illegible]
Dec	[illegible]	+5/4	[illegible]	[illegible]	[illegible]	750
[illegible]	337/4	-	-	-	20	-
Total					[illegible]	[illegible]

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	[illegible]	-1/2	306/0	[illegible]	[illegible]	[illegible]
May	[illegible]	-1/0	310/2	[illegible]	[illegible]	[illegible]
Jul	309/6	-1/0	310/6	[illegible]	[illegible]	[illegible]
Sep	289/4	-2/4	[illegible]	289/0	63,145	[illegible]
Dec	267/2	-2/4	[illegible]	267/0	166,945	19,605
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11,765	765
Total					1,726[illegible]	266,190

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	104.50	-	104.05	104.05	108	10
[illegible]	[illegible]	[illegible]	-	-	707	-
May	[illegible]	[illegible]	-	-	203	-
[illegible]	[illegible]	+0.60	-	-	40	-
[illegible]	94.90	+0.50	95.00	95.00	62	-
[illegible]	98.70	-0.70	-	-	-	-
Total					2,787	220

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	[illegible]	+1/0	[illegible]	693/6	19,585	30,085
Mar	693/6	+0/4	[illegible]	691/6	407,505	159,445
May	[illegible]	[illegible]	699/0	695/6	177,340	26,095
Jul	[illegible]	[illegible]	699/0	695/6	155,370	22,465
[illegible]	[illegible]	+0/2	[illegible]	[illegible]	25,830	1,1230
[illegible]	[illegible]	+0/2	[illegible]	[illegible]	14,745	1,065
Total					868,915	253,920

■ [illegible] OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	+0.11	[illegible]	28.83	42,609	9,420
May	[illegible]	+0.09	[illegible]	28.58	19,418	1,919
Jul	[illegible]	[illegible]	28.27	[illegible]	[illegible]	[illegible]
[illegible]	27.85	-	27.75	[illegible]	[illegible]	184
Sep	26.85	[illegible]	[illegible]	[illegible]	4,064	210
Total					96,975	17,771

■ [illegible] MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	195.8	+0.2	196.0	194.5	[illegible]	2,791
Mar	197.3	+1.1	[illegible]	196.0	40,071	17,225
[illegible]	[illegible]	+1.0	198.8	197.1	14,442	2,367
Jul	199.4	+1.2	199.6	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	+1.7	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	+1.3	[illegible]	[illegible]	[illegible]	307
Total					88,945	25,884

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	135.0	-0.5	-	-	34	-
Apr	110.3	-1.7	112.5	[illegible]	[illegible]	169
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	744	[illegible]
Jun	130.0	-	-	-	2	-
Nov	85.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Total					[illegible]	220

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	1253	+8	1260	1245	819	12
[illegible]	1250	+12	1285	1270	188	21
[illegible]	1293	+18	-	-	60	-
Apr	1318	+13	[illegible]	[illegible]	862	20
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	225	5
Oct	1335	[illegible]	-	-	221	-
[illegible]					[illegible]	[illegible]

	[illegible]	Prev
BFI	1230	[illegible]

COTTON

Liverpool- Spot and shipment sales amounted to 146 tonnes for the week ended 7 January, against 510 tonnes in the previous week. Subdued offtake did not bring many operations. Support was forthcoming in certain specialist styles notably in the Benin and Central Asian range.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	889	+9	[illegible]	[illegible]	35,047	[illegible]
May	905	+9	905	885	[illegible]	2,465
Jul	919	[illegible]	919	[illegible]	[illegible]	630
Sep	934	+9	935	914	10,246	821
Dec	952	+8	952	934	14,098	337
Mar	985	+5	984	948	24,594	219
Total					125,619	[illegible]

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open int	Vol
[illegible]	1150	+32	1152	[illegible]	[illegible]	5,527
[illegible]	1182	+31	1183	1146	[illegible]	1,518
Jul	[illegible]	+24	1214	1180	[illegible]	1,337
[illegible]	1240	+25	1235	1208	8,392	136
Dec	1265	+25	1261	1234	6,541	317
Mar	1280	+25	-	-	7,857	[illegible]
Total					[illegible]	[illegible]

■ COCOA (ICCO) (SDR's/tonne)

	Price	Prev. day
Jan 11 Daily	904.96	922.21
Jan 12 10 day average	[illegible]	924.90

■ COFFEE LCE ($/[illegible])

	Sett price	Day's change	High	Low	Open int	Vol
Jan	1180	-6	1182	1172	1,137	72
Mar	1195	-5	1198	1186	[illegible]	[illegible]
May	1198	+1	1198	1186	[illegible]	1,215
Jul	1194	+2	1194	1187	1,744	1,078
Sep	1194	+1	1193	1187	1,032	836
Nov	1194	-	1195	1188	389	420
Total					28,991	9,987

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	72.95	+1.25	73.95	71.40	35,563	5,486
[illegible]	74.70	+1.30	74.75	73.20	11,984	1,388
Jul	76.15	+1.20	76.10	74.80	3,737	415
Sep	77.35	+0.85	77.20	76.40	2,394	77
Dec	79.10	+1.10	78.90	78.75	1,349	35
Mar	80.85	+1.15	-	-	766	24
Total					55,495	7,384

■ COFFEE (ICO) (US cents/pound)

	Price	Prev. day
Jan 11 Comp. daily	68.42	69.06
15 day average	69.83	70.15

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	10.90	-	-	-	[illegible]	-
[illegible]	11.29	-0.02	11.30	11.24	978	80
Jul	[illegible]	-0.02	-	-	2,868	-
Oct	11.27	+0.01	-	-	54	-
Total					4,088	98

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	289.20	-1.6	289.5	287.20	6,748	747
May	291.50	+1.4	291.70	290.00	2,036	288
Aug	296.10	+1.5	296.10	295.00	1,430	85
[illegible]	285.80	+1.5	286.20	285.00	1,822	80
[illegible]	284.80	+1.3	-	-	80	-
[illegible]	285.80	+1.2	-	-	63	-
Total					12,188	1,180

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	304/6	-1/2	306/6	304/4	49,985	8,861
May	309/2	-1/0	[illegible]	306/4	26,766	[illegible]
Jul	[illegible]	-1/0	310/6	[illegible]	[illegible]	[illegible]
[illegible]	286/4	-2/4	[illegible]	286/0	14,882	1,005
[illegible]	267/2	-2/4	268/0	267/0	2,335	65
Mar	273/0	-2/4	274/4	273/0	37	1
Total					[illegible]	[illegible]

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	69.60	+0.49	69.85	68.85	24,030	4,615
May	70.66	+0.48	70.70	69.85	12,871	2,333
Jul	71.45	[illegible]	71.50	70.70	7,529	1,183
Oct	70.03	+0.73	70.85	[illegible]	[illegible]	325
Dec	68.59	+0.51	[illegible]	67.70	6,911	977
Mar	[illegible]	[illegible]	-	-	[illegible]	5
Total					[illegible]	[illegible]

■ ORANGE JUICE NYCE [illegible] cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	195.8	+0.2	196.0	194.5	[illegible]	[illegible]
Mar	[illegible]	+1.1	197.4	198.0	[illegible]	1,125
[illegible]	198.3	+1.0	198.8	197.1	2,785	198
Jul	199.4	+1.2	[illegible]	198.2	[illegible]	[illegible]
[illegible]	198.7	+1.7	198.7	197.3	[illegible]	54
[illegible]	197.3	+1.3	197.5	[illegible]	140	1
Total					17,577	1,576

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Jan 12	Jan 11	month ago	year ago
1671.3	1669.0	1670.7	1711.4

■ CRB (Base: 4/9/56=100)

Jan 11	Jan 10	month ago	year ago
228.30	[illegible]	224.18	[illegible]

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	74.150	[illegible]	74.500	[illegible]	30,122	[illegible]
[illegible]	[illegible]	[illegible]	76.950	[illegible]	22,125	3,942
[illegible]	74.400	+0.025	74.825	[illegible]	[illegible]	2,515
Aug	73.200	-0.125	73.450	73.173	[illegible]	[illegible]
Oct	73.200	[illegible]	73.400	[illegible]	[illegible]	1,136
Dec	[illegible]	-0.086	[illegible]	[illegible]	[illegible]	13
Total					[illegible]	[illegible]

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	47.075	[illegible]	47.275	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	48.775	48.200	[illegible]	[illegible]
[illegible]	53.650	-0.225	53.925	53.525	[illegible]	[illegible]
Jul	53.225	[illegible]	53.475	53.075	[illegible]	324
Aug	[illegible]	[illegible]	52.100	51.700	1,787	313
Oct	48.800	[illegible]	[illegible]	[illegible]	[illegible]	93
[illegible]					[illegible]	[illegible]

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	58.200	-1.725	58.450	58.150	5,107	[illegible]
Mar	58.850	-1.550	58.950	58.775	1,884	[illegible]
[illegible]	57.925	[illegible]	[illegible]	57.900	[illegible]	197
Jul	[illegible]	[illegible]	60.400	[illegible]	[illegible]	83
Aug	56.550	-0.650	57.850	56.460	286	31
Total					10,983	2,169

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Mar	Jun	Mar	Jun
1100	75	99	12	20
1150	43	67	29	37
1200	27	83	60	97
■ COPPER (Grade A) LME	Mar	Jun	Mar	Jun
1750	71	102	19	47
1800	46	75	36	69
1850	27	53	60	97
■ COFFEE LCE	Mar	May	Mar	May
1150	66	98	21	46
1200	38	70	43	72
1250	20	50	75	102
■ COCOA LCE	Mar	May	Mar	May
875	39	67	25	37
900	27	54	38	49
925	18	43	54	63
■ BRENT CRUDE IPE	Jan	Feb	Jan	Feb
1400	2	1	-	18
1450	3	2	-	-
1500	-	-	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) +or-

		+or-
Dubai	$12.81-2.86w	+0.205
Brent Blend (dated)	[illegible]	[illegible]
Brent Blend (Feb)	[illegible]	[illegible]
W.T.I. (1pm est)	[illegible]	[illegible]

■ OIL PRODUCTS NWEprompt delivery CIF (tonne)

Premium Gasoline	[illegible]	-2
Gas Oil	$146-150	
Heavy Fuel Oil	$57-69	
Naphtha	$127-130	-1
Jet Fuel	[illegible]	-1

Petroleum Argus Estimates

■ OTHER

Gold (per troy oz)♣	$386.20	+0.95
Silver (per troy oz)♣	[illegible]	[illegible]
[illegible] (per troy oz.)	$385.25	+1.00
Palladium (per troy oz.)	$123.75	[illegible]
Copper (US prod.)	[illegible]	
[illegible] prod.)	[illegible]	
Tin (Kuala Lumpur)	12.72r	[illegible]
Tin (New York)	[illegible]	-1.00
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	121.05p	+1.69*
Sheep (live weight)†♣	[illegible]	+1.34*
Pigs (live weight)	88.27p	[illegible]
Lon. day sugar (raw)	$259.8	+4.0
Lon. day sugar (wte)	$288.7	+1.2
Tate & Lyle export	£284.5	+2.0
Barley (Eng. feed)	£108.0	[illegible]
Maize (US No3 Yellow)	£129.0z	
Wheat (US Dark [illegible])	£175.0	
Rubber (Feb)♥	60.50p	
Rubber (Mar)♥	60.75p	
Rubber(KL RSS No1 Feb)	217.5m	+1.5
Coconut Oil (Phil)§	$552.5x	
Palm Oil (Malay.)§	$377.5t	-20.0
Copra (Phil)§	$380.0	[illegible]
Soyabeans (US)	£200.0	
Cotton 'A' Index	[illegible]	+1.50
Wooltops (64s Super)	347p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan w Feb. z Jan/Mar. x Sep/Oct. t Apr/Jun. v Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. [illegible] weight price). * Change on week, provisional prices.

CROSSWORD

No.8,352 S[illegible] by DINMUTZ

ACROSS

1 Does [illegible] draw his stock from a wide range? [illegible]
10 Elgin's alleys? (7)
11 [illegible] patch [illegible] the monksh[illegible]? (7)
12 Singer's theme? (5)
13 Score with toe, perhaps, in this sort [illegible] pitch (8)
15 [illegible] style extremely likely to be rude (10)
16 Land-mass of the Burma-Siam border (4)
18 Open page, possibly (4)
20 Put into orbit, they [illegible] reflect (10)
22 Air-operated organs (Ely's rang out) (8)
24 Superior kind [illegible] anti-depressant (5)
26 Blue loses head – is [illegible] out (7)
27 Composer's struggle with security-device? (7)
28 [illegible] menu in his new style, [illegible] reductions! (12)

DOWN

2 A chum must open in Rada, [illegible] example (7)
3 Ready-to-wear? [illegible]
4 Simple midshipman (4)
5 Spellbound by an arrangement of the ländler .... (10)
6 .... in slow time (or fast time [illegible] round) (5)
7 Turning [illegible] about a univer[illegible] college grating? (7)
8 [illegible] picked [illegible] in his rounds (7,6)
9 Everybody out in it, to [illegible] senior officer's tricycle? (7,6)
14 Popular vote could be free under Major, initially (10)
17 Receives bill with great quantities of paper [illegible]
19 Stand[illegible]d meeting-place, almost, for the arriviste (7)
21 Oneida issue, for example (7)
23 Scored and celebrated? (5)
25 Dromio, for example, to succeed without love (4)

Solution 8,351

LOLLIPOP CHOREA
OWNUP IRRIGATED
ALLERGIES CADET
ORDAIN ECUADOR
ASSUMED NOTIFY
AROMA PASTURAGE
ENCOUNTER GLINT
EARNED CLOSETED

JOTTER PAD

Business Executives in Japan read "Nikkei" every day
Advertise now!
Tel: 071-379 4994

LONDON STOCK EXCHANGE

MARKET REPORT

Shares fall sharply following employment data

By Terry Byland, UK Stock Market Editor

The UK stock market fell heavily yesterday after news that domestic unemployment had fallen sharply last month, indicating that good economic news [illegible] be [illegible] news for investors. The fall in unemployment, considerably greater than predicted, was seen as reducing the chances for an early cut in UK base rates, and thus weakened one of the props supporting the current level of share prices. Also disturbed by the overall weakness in continental European markets, the FT-SE 100 Index tumbled 41.8 to [illegible].

Although upset by yesterday's statistics on the UK economy, and by the consequent firmness in sterling which also reduced the chances of a base rate cut, UK market strategists appeared unwilling [illegible] change their views on market prospects. Most strategists have already put back [illegible] for the [illegible] base [illegible] at [illegible] until the spring, when the government may feel that the changes in social security and mortgage taxes will take effect.

But the general conviction that there is another cut in [illegible] ahead remained unchanged. Some analysts, including the BZW team, held to the view that UK base rates could come down to 4¼ per cent this year.

There was good deal of selling yesterday from investors [illegible] remained unconvinced by [illegible] pre-Christmas run-up in [illegible] prices. However, the FT-SE Mid 250 Index, down 24.6 at 3,864.6, continued to outperform the FT-SE 100 [illegible] Index and non-Footsie business represented around 60 per cent of the day's Seaq volume of 807.6m shares. Tuesday's 882.8m shares through the Seaq electronic network was worth just over £2bn in retail business worth, confirming that genuine investment activity in UK equities remains very high.

[illegible] prices opened lower in London [illegible] were again influenced strongly by [illegible] in [illegible] index futures. The picture [illegible] same as at the beginning of the week. Bank shares continued to soften ahead of the sector trading [illegible] and there [illegible] little recovery [illegible] store [illegible] which are still seen as the key [illegible] a genuine recovery in both the UK economy and also in market sentiment.

International stocks were depressed by yesterday's firmness in sterling, which threatens their export prospects. Oil shares gave back some of their recent gains and the pharmaceuticals sector lacked supporters.

One factor undermining [illegible] across the London markets as well as in the blue chip sector was the suggestion from several global market strategists [illegible] institutional cash flows could begin to move back towards Japan. Kleinwort Benson, [illegible] UK merchant banking and securities house, warned that this could mean significant withdrawal of global funds from other markets – with [illegible] UK high on [illegible] list of those markets threatened. London benefited [illegible] year from an inflow of international funds.

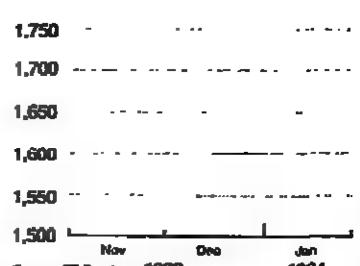
[illegible] in [illegible] New York market, which fell 10 Dow points in UK hours, was [illegible] final [illegible] London, although [illegible] traders [illegible] more [illegible] another temporary [illegible] nothing [illegible] change investment sentiment. A technical setback on profit-taking [illegible] been widely predicted in [illegible] of [illegible] pre-Christmas advance in [illegible] equities and few London specialists [illegible] prepared [illegible] change their minds [illegible] of yesterday's [illegible] prices.

Account Dealing Dates

*First Dealings:	Jan 4	Jan 17	[illegible]
Option Declarations:	Jan 13	Jan 27	Feb 10
Last Dealings:	Jan 14	Jan 28	Feb 11
Account Day:	Jan 24	Feb 7	Feb 21

*New time dealings may take place from two business days earlier.

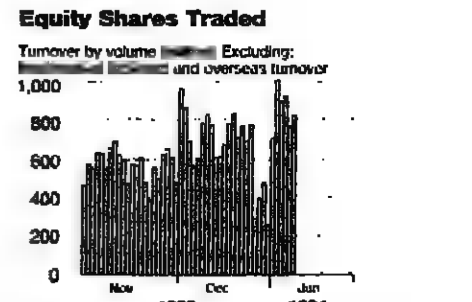
FT-SE-A All-Share index



Source: FT Graphite

Equity Shares Traded

Turnover by volume [illegible] Excluding: [illegible] and overseas turnover



Key indicators

Indices [illegible]

FT [illegible]	3372.0	-41.8
FT-SE Mid 250	3864.6	-24.8
FT-SE-A 350	1692.3	-18.7
FT-SE-A All-Share	1675.86	-17.53
FT-SE-A All-Share yield	[illegible]	(3.34)
FT Ordinary Index	2574.2	-30.6
FT-SE-A Non Fins p/e	22.08	(22.29)
FT-SE 100 Fut [illegible]	3384.0	-42.5
[illegible] yield	6.25	(6.27)
Long gilt/equity yld ratio:	2.00	(2.03)

[illegible] performing [illegible]

1	Printing, Paper [illegible] Pckg	+1.7
2	Retailer, Food	+1.1
3	[illegible]	+0.7
4	Textiles & Apparel	+0.1
[illegible]	FT-SE SmallCap [illegible] IT's	+0.0

Worst performing [illegible]

1	[illegible]	-2.3
[illegible]	Pharmaceuticals	-2.2
[illegible]	[illegible] Trusts	-1.9
4	[illegible]	-1.8
5	Electronic [illegible]	-1.5

Chemical stocks unsettled

Leading [illegible] companies BOC and ICI [illegible] hit by [illegible] which exacerbated the pressure of a sliding [illegible].

Industrial gases group BOC dropped 22½ to 638½p on turnover of 6.8m shares after Hoare Govett, a long-term bull, turned seller of the stock and lowered its current year profits forecast [illegible] from [illegible] well [illegible] the current [illegible] of analysts' estimates.

Hoare's Mr Martin Evans said: "The industrial [illegible] will [illegible] hit [illegible] low inflation inhibits price rises, and we expect [illegible] performance from the health care side."

However, Smith New Court's Mr Philip Morrish said yesterday's share price move was "[illegible]" [illegible] reiterated his buy stance.

Meanwhile, Goldman Sachs advised clients to take profits on stock of ICI, arguing that the share price could comfortably decline to 700p, although the company's fundamentals [illegible] sound. ICI [illegible] 23 to 773p with [illegible] traded.

Internationals hit

Internationally [illegible] a stronger pound [illegible] the value of [illegible] in [illegible] York.

[illegible] from [illegible] UK Treasury official, [illegible] sought to dampen [illegible] expectations of early UK [illegible] rate cuts, helped sterling [illegible] than a [illegible] $1.50 against [illegible] dollar. [illegible] UK [illegible] American Depositary Receipts looking expensive. [illegible] ADR trader [illegible] at least half of the slide in the pharmaceutical company's shares, which [illegible] the result of sterling's strength.

Many international [illegible] also attracted [illegible]. Among them, [illegible] 47 [illegible] 1825p [illegible] lingering [illegible] Chicago [illegible] of Trade over [illegible] dealing system [illegible] again. Perennially [illegible] analyst Mr [illegible] Crosthwaite [illegible] the row was a "storm in [illegible] tea cup" [illegible] promptly [illegible] buy [illegible].

Wellcome drew [illegible] attention [illegible] that full results from [illegible] year's [illegible] study on [illegible] anti-Aids [illegible] published shortly [illegible] journal. The [illegible] fell [illegible] 674p.

GUS overhang

A large stock overhang [illegible] Great Universal Stores saw the shares marked sharply down at the opening of business yesterday. But the shares later recovered as Smith New Court, the UK securities house, apparently cleared its position in the stock which had been taken aboard from a large institutional seller.

The drama started on Tuesday [illegible] Smith [illegible] Court [illegible] delivery of [illegible] shares. [illegible] were placed on Tuesday [illegible] 610p, then a mere 3 [illegible] market price. However, the remaining [illegible] so shares remained [illegible] overnight, [illegible] rival market-makers were quick [illegible] shares down as soon as London opened yesterday morning. In late trading it appeared [illegible] finally got [illegible] majority of the [illegible] as [illegible] of 6m was sold at 590p, [illegible] move [illegible] have sharply reduced the broker's profits [illegible] the deal. The stock closed down 27½ at [illegible].

BP's move to [illegible] its Baglan Bay ethylene plant in South Wales and take a £200m exceptional charge [illegible] its fourth quarter results to encompass [illegible] Europe-wide restructuring came as no great surprise to the market. Nevertheless, the news helped the company's shares outperform [illegible] of [illegible] FT-SE 100 stocks and other big international oil stocks. [illegible] up 373p [illegible] the outset [illegible] a technical short position [illegible] hurriedly filled in. However, subsequent weakness [illegible] European equity [illegible] early [illegible] Wall Street [illegible] the [illegible] of profit-takers and BP [illegible] ally [illegible] 3 [illegible] 362½p.

A Europe-wide retreat by leading electronic stocks impacted heavily on GEC, the UK's flagship electronics group. The slide [illegible] prompted by a profits warning from Alcatel, of France.

The Alcatel revelations triggered [illegible] nine per cent fall in Alcatel shares in Paris and also [illegible] Siemens, the German electricals/electronics giant, which [illegible] per cent in [illegible]. GEC shares dipped 6 to 328½p [illegible] hectic trading [illegible] 9.1m [illegible].

Optimism from David S. Smith, [illegible] manufacturer, lifted [illegible] sector. Although the group reported [illegible] 10 per [illegible] in first-half profits [illegible] £13.7m, [illegible] UK economy [illegible] picking up while continental Europe's [illegible].

The results coincided with positive [illegible] from Arjo Wiggins Appleton [illegible] European pricing. Arjo [illegible] 7 [illegible], David S. Smith [illegible] 456p [illegible] 13 [illegible] 477p.

The [illegible] increasingly enthusiastic about the [illegible] group [illegible] companies ahead [illegible] preliminary figures this morning. Securicor "A" jumped [illegible] to 910p and Security Services 13 [illegible] 780p.

[illegible] of [illegible] share placing [illegible] well below [illegible] market price hit Vodafone, which fell 20 to 591p.

Advertising group Gold Greenlees Trott jumped 14 [illegible] 244p [illegible] takeover speculation.

[illegible] retailers were firm, with S.G. Warburg [illegible] to [illegible] positive on selected stocks. [illegible] put on [illegible] at 235½p.

Results from First Leisure received [illegible] warm welcome from analysts, although [illegible] lack of buying [illegible] shares drift 4 lower at 291p. Smith New Court [illegible] considering moving its "hold" stance to buy, while NatWest Securities upgraded [illegible] "outperform".

[illegible] management changes at [illegible] kept the positive news flow rolling and the shares [illegible] 3½ to 201½p.

Good results from Remy Cointreau helped Highland Distilleries, in which it has [illegible] cross-holding and marketing agreement, climb 14 to 373p.

TI Group, gave up [illegible] to 438p, after Credit Lyonnais turned sellers after being strong buyers recently.

Turnover in British Steel [illegible] 14.7m, making it the day's [illegible] actively traded stock. After a cautious press interview with [illegible] chairman, the shares [illegible] 123p.

[illegible] fell 17 to 97p after [illegible] management group warned of lower profits and said [illegible] chief executive Mr Roger [illegible] leaving [illegible] policy [illegible] Smith New Court cut [illegible] forecast for [illegible] year to March by £3.5m to £8m but strengthened its recommendation saying the management change was a step in the right direction.

MARKET REPORTERS: [illegible] Price, [illegible] John, [illegible] Thompson.

Other statistics, [illegible]

NEW HIGHS AND LOWS FOR [illegible]

NEW HIGHS (236). BANKS (3) Anglo Irish, Espirito Santo, BREWERIES (2) Eldridge Pope A, BUILDING & CNSTRN (10) BLDG MATLS & MCHNTS (12) CHEMICALS (8) Croda Intl., Perstorp B, DISTRIBUTORS (15) DIVERSIFIED INDLS (4) Adwest, BTR Nylex, Pacific Dunlop, Powell Duffryn, ELECTRNC & ELECT EQUIP (8) [illegible]

EQUITY FUTURES AND OPTIONS TRADING

Fading hopes of a reduction in British interest rates in the wake of better than expected UK employment statistics brought heavy selling pressure in the derivatives for a second session in a row, *writes Joel [illegible]*.

In futures, a brief attempt at an advance in the March contract on the FT-SE 100 Index as it opened at 3,422 petered out with the release of the jobless numbers, leaving the contract to drift lower.

US investment bank [illegible] Sachs was said to have been the day's main player in the market and independent traders also joined the selling. [illegible] continued to slide, trading at a discount to fair value for most of the day.

However, there was little sign of nervous selling among the London traders and one futures broker simply said: "This is an inevitable correction that should lead us to 3,300, where we are likely to find good support."

The low of the day was reached at 3,379, but a bout of bear closing in the last few minutes of the session was expected to continue in after-hours' trading. March finished at 3,380, down 46 and [illegible] a 5-point discount [illegible] fair [illegible] premium [illegible] around 13 points.

[illegible] in the stock options [illegible] overall volume in [illegible] traded options, which saw a total of 48,957 lots dealt by the close.

Turnover in [illegible] FT-SE 100 option [illegible] 13,097 [illegible] and the Euro FT-SE option traded 5,223 lots.

British Steel was the busiest stock option with a total of 5,006 lots transacted, followed by Tesco at 4,245. Prudential, at 2,039, and Land Securities, at 1,898, were also heavily traded.

FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3422.0	3384.0	-42.5	[illegible]	3379.0	[illegible]	[illegible]
Jun	3430.0	3397.0	-42.5	3430.0	3397.0	305	[illegible]
Sep		3414.0	-42.5			0	200

Contract traded on APT. Open interest figures are for previous day.

FT-SE 100 INDEX OPTION (LIFFE) (*3372) £10 per full index point

[illegible]

Calls 6,095 Puts 6,808

EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

[illegible]

TRADING VOLUME

Major Stocks yesterday

[illegible]

FT - SE Actuaries Share Indices — The UK Series

[illegible]

FT-SE Actuaries All-Share

[illegible]

Hourly movements

[illegible]

FT-SE Actuaries 350 Industry baskets

[illegible]

LONDON EQUITIES

LIFFE EQUITY OPTIONS

[illegible]

TRADITIONAL OPTIONS

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	28	35	17
Other Fixed Interest	6	1	9
Mineral Extraction	56	69	84
General Manufactures	162	187	344
Consumer Goods	40	68	66
Services	107	138	262
Utilities	9	28	9
Financials	80	107	207
Investment Trusts	30	263	173
Others	31	54	45
Totals	536	949	1266

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

FINANCIAL TIMES EQUITY INDICES

[illegible]

BANKS

	Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£24⅛	----	£25¼	£18¼	6,722	4.3	12.8
ANZ A$		222	----	226½	130	2,904	4.1	Φ
Abbey National	†□	486	----	524	345	6,371	3.0	18.7
Allied Irish I£	‡♦□	308	+3	314	179	2,027	3.4	15.7
Anglo Irish I£	M□	68xr	+3	‡68	28	165.5	6.2	Φ
Asahi Y		649	+2	844	415	15,058	0.7	–
Banco Bil Viz Pts		£14¼	----	£17⅛	£13¾	3,291	5.8	6.4
Banco Sant Pts		£29½	–¼	£38	£24½	3,328	4.4	11.3
Bank Leumi (UK)		375	----	375	325	29.6	5.7	–
Bk Ireland I£		318	+6	‡318	177	1,498	3.9	23.5
Bank Scotland	†□	218½	–2	240½	118½	2,538	2.7	29.7
9¼pc Pf		138¼	----	140¼	117¾	138.3	8.4	–
9¾pc Pf		145¼	----	147¼	123½	145.3	8.4	–
Barclays	‡N□	594½	–2½	652	362	9,642	2.6	–
Dai Ichi Kan Y		1073	–3	1586	857	33,481	0.5	58.3
Deutsche DM		£327⅞	–5⅞	£348⅞	£250½	15,603	1.9	–
Espirito Santo		£24½	+¼	£24½	£16½	262.0	3.3	5.8
First Nat Fin	□	71	+1	‡95	45	118.1	2.7	Φ
6.3pc Cv Pf		87xd	+1	‡91	55	5.85	9.1	–
7pc Cv Pf		135½xd	+4	167½	106	64.3	6.5	–
Fuji Bank Y		1401	----	1651	876	40,585	0.4	–
HSBC HK	†□	904	–27	1007	474	15,431	2.8	21.8
HSBC (75p Shs)	†□	891	–25	987	490	7,315	2.8	21.3
Lloyds	†□	624	+4	690	492	8,012	3.8	17.8
Mitsubishi Y		£16⅛	–⅛	£19¼	£11⅞	48,436	0.3	–
Mits Tst & Bk Y		£7¼	----	£10⅛	£4⅝	9,441	0.7	11.6
Mitsui Tst & Bk Y		587	+5	882	374	6,793	0.9	19.3
Nat Aust A$		558	–10	575	322	7,333	4.1	Φ
NatWest	†□	585	–12	634	368	9,722	3.8	35.9
Ottomane FFr		£32½	+3	£32½	£23¾	162.5	4.8	9.5
Ryl Bk Scotland	‡N□	452	–9	470	207	3,598	[illegible]	20.4
Sakura Y		£8¾	–⅛	£11	£5¾	28,865	[illegible]	54.6
Sanwa Y		£12¼	–⅛	[illegible]	£7¼	35,532	[illegible]	–
Standard Chartd	†□	1161	–18	[illegible]	576	2,764	2.2	–
Sumitomo Y		£11¼	–⅛	[illegible]	£8⅞	[illegible]	0.5	25.3
Sumitomo Tst Y		87	----	[illegible]	£4¼	[illegible]	0.6	54.9
TSB	□	262	+2	[illegible]	145½	[illegible]	3.2	–
Tokai Y		£8⅞	–⅛	[illegible]	£4⅞	13,863	0.8	45.9
Toyo Tst & Bk Y		646	+27	[illegible]	411	5,069	0.8	57.5
Westpac A$		213	–1	[illegible]	121	3,734	2.6	Φ
Yasuda Tst Bk Y	‡	493	+1	[illegible]	343	5,107	1.1	41.2

BREWERIES

	Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	[illegible]	P/E
Ascot Hldgs	□	7½	+¼	16½	4½	28.5	–	–
Bass	♦N□	595	–7	647	441	4,817	4.5	15.0
Boddington	†□	277	–2	299	189	334.1	3.4	16.1
Burtonwood		181	–2	184	129	37.8	3.3	16.1
Eldridge Pope A	‡	160xd	+4	169	75	31.1	2.8	Φ
Fosters A$		63	----	70½	50	2,027	4.3	Φ
Fuller STA	‡†	441xd	+3	441	338	89.5	2.1	18.9
Gibbs Mew	‡†	401	–2	403	148	29.8	2.6	19.7
Greenalls	‡♦N□	459xd	----	475	347	957.9	3.4	19.6
Greene King	†N□	545xd	–6	575	805	230.5	2.9	15.3
Grosvenor Inns	‡‡	143	----	148	78	11.6	3.7	19.2
Holt (J)	†	3150	----	3150	2538	94.5	1.7	20.5
‡Hoskins		78	----	80	33	4.55	–	56.2
Kirin Y		736	+4	858½	580	7,735	0.9	27.8
Mansfield	†N	236	–1	249	164	151.0	2.1	16.8
Marston Thomp	†N□	272	----	288	231	248.4	2.6	18.2
Morland	N	525	+5	580	455	112.9	2.3	18.0
Paramount	‡♦□	10¼	----	12	6¼	5.15	1.8	Φ
Regent Inns	‡N	228	–2	227	145	33.0	2.9	22.9
Scott & New	†N□	544xd	+1	‡584	393	2,883	3.9	16.7
United Breweries	‡□	8½	----	12	7	12.8	–	–
Vaux	‡□	273xd	+5	[illegible]	213	379.2	4.3	Φ
Wetherspoon (J D)	N□	377	–4	[illegible]	225	118.1	1.8	29.3
Whitbread	†N□	585	–7½	[illegible]	435	2,909	4.0	13.6
Wolv & Dudley	□	535	----	[illegible]	463	347.5	3.0	Φ
Young A	†	515	----	[illegible]	475	19.0	3.6	21.3
N/V	†	480	----	[illegible]	415	28.5	4.1	18.0

BUILDING & CONSTRUCTION

	Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Abbey I£		183	----	183	73	70.9	1.4	29.7
Allen	‡M	180	----	[illegible]	87	40.0	4.2	34.0
AMEC	□	120	–2	[illegible]	66	242.8	3.1	22.2
6½p Cv Pf		108½	----	[illegible]	70	218.6	7.8	–
Amco Corp	¥	61	----	[illegible]	36½	8.50	–	–
Andrews Sykes	N□	83	+6	[illegible]	65	11.6	4.5	–
Anglia Sec	□	6½	----	[illegible]	4	3.14	–	–
Arcadian Intl		40	----	[illegible]	35	27.9	–	–
Ashtead	♦□	383	+2	‡383	180	105.9	1.6	37.3
Avonside	‡†□	180	----	182	68	[illegible]	3.4	21.0

BUILDING MATS. & MERCHANTS - Cont.

	Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Titon	‡	219	----	240	150	24.6	2.4	Φ
Travis Perkins	□	315	+1	316	168	321.6	3.2	55.5
Tudor	‡	21	----	35	21	2.30	1.5	–
Unigroup	□	36	----	76	11½	11.1	–	–
Waterhouse	‡	33	----	38	25	6.83	–	–
Wickes	♦T□	112	+1	‡120	76	419.3	0.2	50.9
Wilshaw	†N□	42½	+½	46½	17	35.0	1.6	26.8
Wolseley	‡N□	878	–11	898	533	2,335	1.9	26.2

CHEMICALS

	Notes	Price	+ or –	1993/94 high	low	Mkt Cap£m	[illegible]	P/E
AGA Skr		£23¼	–¼	£37	£20½	719.0	2.3	18.4
Akzo Fl		£70¾	–¾	£72¼	£47¾	3,284	3.3	13.7
Allied Colloids	†N□	237	----	248	210	623.8	2.3	21.7
Amber Ind	†N	725	----	725	345	28.4	3.3	16.6
BASF DM		£118	–¾	£119½	£83¼	6,824	5.7	–
BOC	‡♦N□	696½	–21½	770	590	3,039	4.5	15.1
BTP	‡†N□	338	----	‡338	199	453.6	3.5	27.1
Bayer DM		£138½	–1⅛	£142⅛	£101¼	9,105	3.9	–
Brent	N□	128	----	165	83	85.1	7.3	11.5
British Vita	†□	271	+1	271	215	594.8	3.4	18.7
Cambridge Iso S	‡	25	----	34	25	3.27	–	–

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

LEISURE & HOTELS - Cont.

OTHER FINANCIAL

PROPERTY - Cont.

SPIRITS, WINES & CIDERS - Cont.

TRANSPORT - Cont.

SUPPORT SERVICES

WATER

LIFE ASSURANCE

MEDIA

AMERICANS

OTHER SERVICES & BUSINESSES

TELECOMMUNICATIONS

CANADIANS

RETAILERS, FOOD

TEXTILES & APPAREL

INVESTMENT COMPANIES

PHARMACEUTICALS

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
[illegible]		£13½	—	£13¾	£7½	[illegible]	5.2	11.2
[illegible]		£4¼xc	—	£10¾	£4	810.0	8.4	Φ
[illegible] SA R		1750	+8	1800	725	1,880	2.3	29.0
[illegible]		90	—	97	68	3.82	15.1	Φ
SASOL		291	-2	308	215	1,846	5.3	-
SA Brews		1481	-28	1621	753	7,849	1.9	24.0
Tiger Oats		838	—	838	513	1,288	1.9	17.7
Tongaat-Hulett	†	480xd	-3	472	212	344.3	3.2	12.8

MERCHANT BANKS

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings [illegible] latest annual reports and accounts and, where [illegible] interim figures. P/Es are calculated on "net" distr[illegible] per share being computed on profit after taxation, [illegible] profits/losses and unrelieved ACT where applicable. Y[illegible] prices, are gross, adjusted for a dividend tax credit of [illegible] for value of declared distribution and rights.

Estimated Net Asset Values [illegible] are shown for Investment Trusts, in pence per share, along [illegible] percentage discounts (Dis) or premiums (Pm -) to the current [illegible] share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

OIL EXPLORATION & PRODUCTION

PRINTING, PAPER & PACKAGING

RETAILERS, GENERAL

LEISURE & HOTELS

TOBACCO

TRANSPORT

PROPERTY

OIL, INTEGRATED

SPIRITS, WINES & CIDERS

excludes a special payment.
† Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.

prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for

Abbreviations:
ex dividend;
ex scrip issue;
ex rights;
ex all;
ex capital distribution

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of [illegible] a year for each security shown, subject to the Editor's discretion.

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT5041. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum [illegible] price. The maximum spread between [illegible] bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

هكذا منه الأصل

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

TSB Unit Trusts (1200)F

T.U. Fund Managers Limited (1200)H

Thornton Unit Managers Ltd

INSURANCES

AXA Equity & Law Life

Black Horse Life Assurance - Contd.

Britannia Life Assurance

Britannia Life Ltd

Canada Life Group

Crown Financial Management Ltd

Henderson Administration

OTHER UK UNIT TRUSTS

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Royal Heritage Life Assurance Ltd - Contd.

Scottish Provident Group - Contd.

Scottish Widows' Group

TSB Life Ltd

Eurolife Assurance Group

Finexco International Ltd

Macartney & Dowie Invest Mngt Plc

Marsh Financial Management PLC

Prudential Fund Managers (Guernsey) Ltd

Rothschild Asset Management (CI) Ltd

GT Asset Management (Ireland) Ltd

Asset Global Funds Ltd (1200)

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

IRELAND (REGULATED)(**)

OFFSHORE INSURANCES

IRELAND (SIB RECOGNISED)

MANAGEMENT SERVICES

ISLE OF MAN (SIB RECOGNISED)

JERSEY (REGULATED)(**)

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

Sterling soars

Sterling yesterday remained the focus of market attention after stronger-than-expected UK employment data and growing scepticism about the likelihood of an early British rate cut, pushed the British currency sharply higher against the D-Mark and dollar, *writes [illegible] Tett.*

After breaching the DM2.60 level early in [illegible] day it moved by over 1½ pfennigs [illegible] the [illegible] of the day to reach its highest level since the ERM crisis in September 1992. It also moved [illegible] a cent against the dollar, which was little changed by the [illegible] producer prices index released yesterday.

■ The UK unemployment data, which showed that unemployment fell [illegible] provisional, seasonally adjusted [illegible] in December [illegible] 2.77m, down [illegible] per cent from 10 [illegible] cent in November, took the market by surprise. Market forecasts had been around 20,000.

The data triggered a rapid rally in the British currency. After closing [illegible] in London on Tuesday, it pushed through the [illegible] barrier early in the morning [illegible] then briefly hovered [illegible] DM2.6130 before finally closing at DM2.6072.

Sterling also [illegible] against the dollar yesterday, although dealers said its movements [illegible] primarily a by-product [illegible] trading between sterling and the D-Mark. [illegible] briefly touched $1.505, before slipping [illegible] $1.5013, [illegible] from [illegible] previous day's close of $1.4913.

Sterling's initial rise [illegible] dogged by [illegible] controversy, after it staged a small rally against the D-Mark about 10 minutes ahead of the release of the employment data.

But though this sparked rumours that figures might have been leaked, traders pointed out that the [illegible] might simply have been the result of one particular bank taking a view.

With the unemployment [illegible] reinforcing the market's confidence in the UK economic recovery, sterling is expected [illegible] further against [illegible] weak D-Mark.

"There is a good chance of seeing it at the [illegible] levels soon," said Mr Jeremy Hawkins, senior economic [illegible] Bank of America, [illegible] predicts it could reach DM2.63 levels soon.

The only [illegible] that could undermine sterling [illegible] would [illegible] a [illegible] UK political upheaval. But [illegible] the UK is one of the [illegible] European [illegible] not [illegible] planned [illegible] year, [illegible] this [illegible] of [illegible] threat than elsewhere in Europe.

Sterling's trade weighted index [illegible] of [illegible] value, [illegible] highest [illegible] since September [illegible] dealers believe that [illegible] government might [illegible] sterling rises much higher than [illegible] protect exporters.

[illegible] after Mr Anthony Nelson, economic secretary [illegible] Treasury, yesterday [illegible] that [illegible] government [illegible] comfortable with existing monetary policy [illegible] "unlikely" [illegible] rates, expectations [illegible] an early rate cut [illegible]

"Many people didn't believe the upside was very large, but now there [illegible] some revision going on about how high sterling [illegible] go," said Mr [illegible] Austin, treasury strategist [illegible]

Interest rate scepticism [illegible] reflected in sterling futures where [illegible] March contract fell [illegible] lowest [illegible] year, compared to [illegible] on [illegible] Year's Eve.

"The [illegible] now thinks [illegible] are at the bottom of the interest rate cycle. [illegible] have [illegible] in a negative yield curve (in the UK money market) for [illegible] long time, but the signs are we could be moving into a positive one," commented one money [illegible]

● Anticipation of today's US [illegible] price [illegible] ensured that the dollar continued [illegible] attention. Yesterday's PPI figures, which [illegible] that the PPI fell 0.1 per cent in December were broadly in line with the market forecast.

As a result the dollar remained fairly steady against the D-Mark and [illegible] closing at Y112.4 from [illegible] previous day's close [illegible] Y112.5, and [illegible] from [illegible] previous day's close of DM1.7398.

[illegible] the dollar [illegible] likely [illegible] remain bound in [illegible] against the D-Mark [illegible] the Bundesbank signalled that it would cut [illegible] or today's US [illegible] figure [illegible] significantly different from [illegible] forecasts.

However the release of revised figures showing [illegible] German inflation [illegible] by 4.2 [illegible] cent in [illegible] up from [illegible] yesterday, again underlined [illegible] inflationary factors [illegible] are underpinning [illegible] Bundesbank's cau[illegible] monetary stance.

● The Bundesbank yesterday allocated DM75.5bn of securities repurchase funds [illegible] week's tender [illegible] fixed [illegible] of six [illegible]

Today's [illegible] the [illegible] two set [illegible] fixed rate of six per cent at [illegible] Bundesbank council meeting [illegible] week.

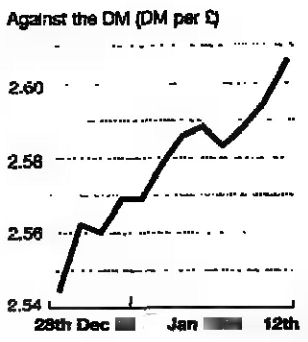
German call money [illegible] yesterday remained steady, with call [illegible] traded within [illegible] of [illegible] 6.15 [illegible]

● Conditions [illegible] the UK [illegible] markets eased yesterday [illegible] Bank [illegible] England removed £1.413bn of the £1.6bn forecast shortage. Overnight money [illegible] fell [illegible] 5¼ per cent.

● The [illegible] lira remained in the spotlight as markets awaited [illegible] outcome of the [illegible] confidence debate in [illegible] Italian parliament. In spite [illegible] concerns [illegible] fresh political scandal could undermine [illegible] lira, it marginally strengthened to L974.7 against the D-Mark, from [illegible] previous day's close [illegible]

Sterling

Against the DM (DM per £)



[illegible] FT [illegible]

■ Pound in New York

[illegible] 12	Latest	Prev. close
£ spot	1.5030	1.4900
1 mth	1.4999	1.4888
3 mth	1.4947	1.4818
1 yr	1.4791	[illegible]

POUND SPOT FORWARD AGAINST THE POUND

Jan 12		Closing mid-point	Change on day	[illegible] spread	Day's Mid high	low	One month [illegible]	%PA	Three months [illegible]	%PA	One year [illegible]	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	18.3114	+0.0771	039 - 188	18.3716	18.[illegible]	18.3152	-0.2	18.3246	-0.3	-	-	[illegible]
Belgium	[illegible]	54.3711	+0.2991	182 - 240	54.4916	53.9924	54.4611	-2.0	[illegible]	-1.5	54.8361	-0.9	[illegible]
Denmark	[illegible]	10.1102	[illegible]	025 - [illegible]	[illegible]	[illegible]	[illegible]1212	-1.3	10.1352	-1.0	10.1562	-0.5	115.5
Finland	(FM)	[illegible]	+0.0064	783 - 967	[illegible]	8.5511	-	-	-	-	-	-	80.2
France	(FFr)	[illegible]	+0.0431	612 - 664	[illegible]	[illegible]	8.8726	-1.1	8.8842	-0.9	8.8888	-0.3	108.0
Germany	(DM)	2.6072	+0.0128	062 - 031	2.6152	[illegible]	2.6087	-0.7	[illegible]	-0.5	2.6098	-0.1	[illegible]
Greece	(Dr)	[illegible]	+2.063	[illegible] - 400	375.923	373.076	-	-	-	-	-	-	-
Ireland	(I£)	1.0429	+0.0011	422 - [illegible]	1.0458	1.0397	[illegible]	-0.8	[illegible]	[illegible]	1.0453	-0.2	[illegible]
Italy	(L)	2541.10	[illegible]	359 - 221	2559.77	2532.80	[illegible]	-3.1	[illegible]	[illegible]	2603.65	-2.5	[illegible]
Luxembourg	(LFr)	54.3711	[illegible]	182 - 240	54.4916	53.9924	54.4611	[illegible]	54.5811	-1.5	54.8361	-0.9	[illegible]
Netherlands	(Fl)	2.9189	+0.015	170 - 208	2.9270	2.9038	2.9192	-0.1	2.9176	[illegible]	2.9067	0.4	[illegible]
Norway	[illegible]	[illegible]	+0.0432	[illegible] - 545	11.2857	11.1967	[illegible]	-1.7	11.2638	-0.5	11.2502	0.0	[illegible]
Portugal	(Es)	264.154	+0.575	876 - 432	264.817	[illegible]	265.[illegible]	-6.3	[illegible]	-6.1	-	-	-
Spain	(Pta)	215.872	+0.498	739 - 005	216.537	214.213	216.572	-3.9	217.712	-3.4	221.702	-2.7	83.7
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	12.3115	12.2130	12.3014	-2.6	[illegible]	-1.7	12.4294	-1.3	75.3
Switzerland	[illegible]	[illegible]	[illegible]	042 - 066	[illegible]	2.1954	[illegible]	1.3	2.1976	1.4	2.1707	1.6	117.3
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	82.9
Ecu	-	[illegible]	[illegible]	444 - 459	1.3488	[illegible]	1.3464	-1.2	1.3482	-0.9	1.3497	-0.3	-
SDR†	-	[illegible]	-	-	-	-	-	-	-	-	-	-	-
[illegible]													
Argentina	[illegible]	[illegible]	[illegible]	983 - [illegible]	[illegible]	1.4873	-	-	-	-	-	-	-
Brazil	(Cr)	555.069	+12.291	950 - 187	557.600	542.000	-	-	-	-	-	-	-
Canada	[illegible]	[illegible]	+0.0073	768 - 784	[illegible]	[illegible]	[illegible]	1.8	1.9695	1.6	1.9553	1.1	82.2
[illegible]	[illegible]	[illegible]	+0.0327	659 - 707	4.6715	[illegible]	-	-	-	-	-	-	-
USA	($)	[illegible]	+0.01	010 - 016	1.5055	[illegible]	1.4982	2.5	1.4931	2.2	1.4778	1.6	87.5
Pacific/Middle [illegible]													
Australia	[illegible]	[illegible]	+0.0147	738 - 778	2.1800	[illegible]	2.1743	0.8	2.1722	0.7	2.1722	0.2	-
Hong Kong	(HK$)	11.5993	[illegible]	[illegible] - 029	11.61[illegible]	11.5166	11.5794	2.1	11.5459	1.8	11.4546	1.3	-
India	[illegible]	[illegible]	[illegible]	[illegible]	47.1076	46.7520	-	-	-	-	-	-	-
Japan	[illegible]	[illegible]	+1.025	[illegible] - 855	[illegible]	167.060	168.319	3.2	167.429	3.2	163.434	3.2	174.8
Malaysia	[illegible]	[illegible]	[illegible]	977 - 069	4.1076	4.0449	-	-	-	-	-	-	-
New [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-1.0	2.6926	-0.8	2.6944	-0.3	-
Philippines	(Peso)	41.5110	+0.3524	[illegible]	-	-	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	+0.0373	275 - 313	5.6444	5.5889	-	-	-	-	-	-	-
Singapore	[illegible]	2.4101	+0.0147	088 - 113	2.4166	2.3911	-	-	-	-	-	-	-
S Africa (Com.)	[illegible]	[illegible]	+0.0294	009 - 051	5.1164	5.0715	-	-	-	-	-	-	-
S Africa (Fin.)	[illegible]	6.4406	[illegible]	318 - 494	6.4511	[illegible]	-	-	-	-	-	-	-
South Korea	(Won)	1217.56	+7.85	701 - 810	1220.65	[illegible]	-	-	-	-	-	-	-
Taiwan	(T$)	39.8520	+0.3264	363 - 675	[illegible]	[illegible]	-	-	-	-	-	-	-
Thailand	[illegible]	38.4033	[illegible]	[illegible] - 2[illegible]	38.4960	[illegible]	-	-	-	-	-	-	-

†SDR rate for Jan 11. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index [illegible] by the Bank of England. Base average 1985 = 100.
Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jan 12		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month [illegible]	[illegible]	Three months [illegible]	[illegible]	One year Rate	[illegible]	Morgan G'ty [illegible]
Europe													
Austria	(Sch)	12.1970	[illegible]	945 - 995	12.2430	[illegible]	12.222	-2.5	[illegible]	-2.1	[illegible]	-1.4	[illegible]
Belgium	(BFr)	[illegible]	[illegible]	880 - 440	36.2440	[illegible]	36.251	-4.5	[illegible]	[illegible]	37.106	-2.5	[illegible]
Denmark	(DKr)	[illegible]	[illegible]	305 - 380	6.7557	6.7300	6.7546	-3.6	6.7846	-3.0	6.8543	-1.8	104.3
Finland	(FM)	5.7200	-0.0343	[illegible]	5.7751	5.7130	5.732	-2.5	5.7485	-2.0	5.7925	-1.3	[illegible]
France	(FFr)	5.9048	-0.0106	[illegible]	5.9194	5.8950	5.9223	-3.6	5.9506	-3.1	6.0153	-1.9	[illegible]
Germany	(D)	1.7366	-0.0032	363 - 369	1.7417	1.7345	1.7411	-3.1	1.7482	-2.7	1.7642	-1.6	[illegible]
Greece	(Dr)	249.850	-0.3	700 - 000	250.270	249.700	253.6	-18.0	260.35	-16.8	293.35	-17.4	71.8
Ireland	(I£)	1.4336	+0.0081	389 - 402	1.4435	1.4313	1.4359	3.0	1.4298	2.7	1.4134	1.5	-
Italy	(L)	1692.60	-9.08	220 - 300	1702.00	[illegible]	1700.5	-5.6	1714.25	-5.1	1762.1	-4.1	[illegible]
Luxembourg	(LFr)	36.2160	-0.0435	880 - 440	36.2404	36.1350	36.351	-4.5	36.556	-3.8	37.106	-2.5	[illegible]
Netherlands	(Fl)	1.9443	-0.003	434 - 451	1.9494	1.9427	1.9485	-2.6	1.9542	-2.0	1.9671	-1.2	[illegible]
Norway	(NKr)	7.4936	-0.0215	920 - 950	7.5410	7.4920	7.5095	-2.6	7.534	-2.2	7.5885	-1.3	95.0
Portugal	(Es)	175.950	-0.8	800 - 100	177.000	175.800	177.15	-8.4	179.36	-7.8	187.1	-6.3	[illegible]
Spain	(Pta)	143.790	-0.535	730 - 850	144.900	143.730	144.56	-6.4	145.825	-5.7	150.04	-4.3	[illegible]
Sweden	(SKr)	8.1758	-0.0162	708 - 838	8.2213	8.1650	8.209	-4.9	8.2555	-3.9	8.4058	-2.8	[illegible]
Switzerland	(SFr)	1.4690	-0.0085	685 - 635	1.4779	1.4655	1.4703	-1.1	1.4719	-0.8	1.4682	0.1	[illegible]
UK	(£)	1.5013	+0.01	010 - 016	1.5055	1.4903	1.4982	2.5	1.4931	2.2	1.4778	1.6	[illegible]
Ecu	-	1.1162	+0.0033	158 - 165	1.1170	1.1126	1.1126	3.6	1.1075	3.1	1.0949	1.9	-
SDR†	-	1.37051	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9983	-0.0004	982 - 983	[illegible]	[illegible]	-	-	-	-	-	-	-
Brazil	(Cr)	369.725	+5.75	720 - 730	369.745	[illegible] 720	-	-	-	-	-	-	-
Canada	(C$)	1.3173	-0.0039	170 - 175	1.3220	1.3170	1.3181	-0.7	1.3192	-0.6	[illegible]	-0.4	[illegible]
Mexico	(New Peso)	3.1095	+0.001	085 - 105	3.1105	[illegible]	3.1112	-0.7	3.1153	-0.7	[illegible]	[illegible]	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	[illegible]
[illegible]													
Australia	(A$)	1.4493	[illegible]	482 - 503	1.4545	1.4482	1.4504	-0.9	1.4538	-1.2	[illegible]	[illegible]	[illegible]
Hong [illegible]	(HK$)	7.7265	+0.0015	260 - 270	[illegible]	7.7260	7.729	-0.4	7.7317	-0.3	7.739	-0.2	-
India	[illegible]	31.3675	-0.005	[illegible] - 700	31.[illegible]	31.3650	31.4475	-3.1	31.6525	-3.6	-	-	-
Japan	(Y)	112.415	-0.07	380 - 450	[illegible]	112.050	112.34	0.8	112.14	1.0	[illegible]	1.6	[illegible]
Malaysia	(M$)	2.7325	[illegible]	300 - 350	2.7400	2.7120	[illegible]	1.4	2.7345	-0.3	2.7625	-1.1	-
[illegible]	(NZ$)	1.7901	+0.0048	889 - 912	1.7915	1.7856	1.7914	-0.9	1.7954	-1.2	[illegible]	-0.9	-
Philippines	(Peso)	27.6500	+0.05	000 - [illegible]	[illegible]	27.4000	-	-	-	-	-	-	-
[illegible] Arabia	[illegible]	3.7497	-0.0003	492 - 502	[illegible]	3.7492	3.7542	-1.4	3.7672	-1.9	3.7784	-0.7	-
Singapore	(S$)	1.6053	-0.001	[illegible] - 058	[illegible]	1.6030	1.6037	1.2	1.6019	0.8	1.6113	-0.4	-
S Africa (Com.)	(R)	3.3991	[illegible]	983 - 998	3.4018	3.3980	3.4168	-6.2	3.4443	-5.3	[illegible]	-4.4	-
[illegible] (Fin.)	[illegible]	4.2900	+0.01	850 - 950	4.2950	4.2600	4.317	-7.6	4.37	-7.5	-	-	-
South [illegible]	(Won)	811.000	-0.2	800 - 200	[illegible]	810.[illegible]	[illegible]	-4.4	817.5	-3.2	836	-3.1	-
Taiwan	[illegible]	26.5450	[illegible]	400 - 500	26.5500	26.4800	26.6039	-2.7	26.725	-2.7	-	-	-
Thailand	(Bt)	25.5800	[illegible]	700 - 900	25.5900	[illegible]	25.62	-1.9	25.675	-1.5	25.89	-1.3	-

†SDR rate for Jan 11. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes [illegible] Jan 11. Base average [illegible]

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Jan.12		BFr	DKr	FFr	[illegible]	I£	L	Fl	NKr	Es	Pta	[illegible]	SFr	£	C$	[illegible]	Y	Ecu
Belgium	(BFr)	100	18.59	[illegible]	[illegible]	1.918	4674	5.369	20.69	[illegible]	397.1	22.57	[illegible]	1.839	3.638	2.761	[illegible]	[illegible]
Denmark	(DKr)	53.78	10	8.769	2.579	1.032	2513	2.887	11.13	261.3	[illegible]	12.14	[illegible]	[illegible]	1.956	1.485	[illegible]	[illegible]
France	(FFr)	[illegible]	11.40	10	[illegible]	1.177	2866	3.293	12.69	[illegible]	[illegible]	13.84	[illegible]	1.128	[illegible]	1.693	[illegible]	1.517
Germany	[illegible]	20.88	3.878	3.400	1	0.400	[illegible]	[illegible]	[illegible]	101.3	[illegible]	[illegible]	0.846	0.384	0.759	0.578	64.75	0.516
Ireland	[illegible]	[illegible]	9.693	8.500	[illegible]	1	2436	2.799	10.79	253.3	[illegible]	11.76	2.114	0.959	1.896	1.409	161.8	1.290
Italy	[illegible]	2.140	0.398	0.349	0.103	0.041	100.	0.115	0.443	10.40	[illegible]	[illegible]	0.087	0.039	0.078	0.059	6.643	0.053
Netherlands	(Fl)	18.63	3.464	[illegible]	[illegible]	0.357	870.5	1	[illegible]	90.51	73.96	[illegible]	0.755	0.343	0.678	[illegible]	57.83	[illegible]
Norway	(NKr)	[illegible]	8.987	7.880	2.317	0.927	2259	2.595	10	234.8	191.9	10.91	1.960	[illegible]	[illegible]	1.334	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	3.356	0.987	0.395	961.8	[illegible]	4.258	[illegible]	81.72	[illegible]	0.835	[illegible]	0.749	[illegible]	63.89	0.509
Spain	[illegible]	[illegible]	4.683	4.106	1.208	0.483	1177	1.352	5.211	122.4	100.	5.683	[illegible]	0.463	[illegible]	0.695	[illegible]	0.623
Sweden	[illegible]	44.31	[illegible]	7.225	[illegible]	0.850	2071	2.379	9.169	215.3	[illegible]	[illegible]	1.797	0.815	1.612	1.223	137.0	1.096
Switzerland	(SFr)	24.66	4.585	4.020	1.182	[illegible]	1152	1.324	5.102	119.8	[illegible]	5.565	1	0.454	[illegible]	0.681	[illegible]	0.610
UK	(£)	54.37	10.11	8.865	[illegible]	1.043	2541	2.919	11.25	264.2	215.9	12.27	2.205	1	1.978	1.501	168.8	1.345
Canada	(C$)	27.49	5.111	[illegible]	1.318	[illegible]	1285	1.476	5.688	[illegible]	[illegible]	[illegible]	1.115	0.506	1	0.759	85.34	0.680
US	($)	36.22	6.736	5.906	1.737	0.695	[illegible]	[illegible]	7.495	176.0	[illegible]	8.175	1.469	[illegible]	1.318	1	112.5	[illegible]
Japan	(Y)	322.1	[illegible]	52.52	15.44	[illegible]	[illegible]	17.29	[illegible]	[illegible]	1279	[illegible]	[illegible]	[illegible]	11.72	[illegible]	[illegible]	[illegible]
Ecu		40.42	7.517	[illegible]	[illegible]	[illegible]	1889	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.743	1.471	1.116	125.5	1

Yen per 1,000, Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ [illegible] FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	[illegible]	Open int.
[illegible]	0.5715	[illegible]	+0.0014	[illegible]	0.5714	[illegible]	[illegible]
Jun	[illegible]	[illegible]	+0.0017	0.5702	0.5694	668	[illegible]
Sep	-	[illegible]	-	-	-	72	236

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	[illegible]	Change	High	[illegible]	Est. vol	Open int.
Mar	0.8918	[illegible]	[illegible]	0.8936	[illegible]	[illegible]	100,537
Jun	[illegible]	0.8930	-0.0001	[illegible]	0.8919	215	6,140
Sep	-	0.8976	-	-	-	3	3[illegible]

■ SWISS [illegible] FUTURES (IMM) [illegible] per SFr

[illegible]	0.6760	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	47,127
Jun	0.6800	[illegible]	[illegible]	[illegible]	[illegible]	33	[illegible]
Sep	-	0.6754	-0.0030	-	-	2	30

■ STERLING FUTURES (IMM) £62,500 per £

Mar	1.4846	[illegible]	[illegible]	[illegible]	[illegible]	9,761	29,993
Jun	[illegible]	1.4872	[illegible]	1.4900	[illegible]	[illegible]	[illegible]
Sep	[illegible]	1.4800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec	1.4770	1.4770	+0.0030	1.4770	1.4770	9	[illegible]

MONEY RATES

January [illegible]	Over night	One month	Three mths	[illegible] mths	[illegible]	[illegible]	[illegible] rate	Repo rate
Belgium	7⅛	7¼	7	6⅞	6⅝	7.40	[illegible]	-
week ago	7¼	7¼	6⅞	6¾	[illegible]	7.40	[illegible]	-
France	6½	6½	6⅜	[illegible]	[illegible]	6.20	-	[illegible]
week ago	6.10	6⅛	6⅜	6	6⅝	[illegible]	-	7.75
Germany	6.02	6.05	5.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
week ago	6.08	6.05	5.80	[illegible]	[illegible]	6.75	[illegible]	6.00
Ireland	6¼	6¼	6⅛	5¾	5⅞	-	-	[illegible]
week ago	6⅝	6¼	6⅛	5⅞	[illegible]	-	-	6.75
Italy	9⅛	8½	8⅛	[illegible]	8	-	[illegible]	[illegible]
week ago	9⅝	8½	8⅜	8¼	7⅞	-	8.00	[illegible]
Netherlands	5.66	5.47	5.20	[illegible]	[illegible]	-	6.25	-
week ago	5.73	5.47	5.25	[illegible]	[illegible]	-	5.25	-
Switzerland	4⅛	4⅛	4	3⅝	3⅜	6.625	[illegible]	-
week ago	4⅛	4⅛	4⅛	[illegible]	[illegible]	[illegible]	[illegible]	-
US	3⅛	3⅛	3⅛	3⅛	3½	-	3.00	-
week ago	3⅛	3⅛	3⅛	[illegible]	3⅝	-	3.00	-
Japan	2⅛	2⅛	2⅛	1⅞	1⅞	-	1.75	-
week ago	2⅛	2⅛	2⅛	1⅞	1⅞	-	1.75	-
■ S LIBOR [illegible]								
[illegible] Fixing	-	3⅛	3¼	[illegible]	3⅝	-	-	-
week ago	-	3⅛	[illegible]	3⅜	3⅝	-	-	-
US Dollar CDs	-	2.94	3.01	3.14	3.44	-	-	-
week ago	-	[illegible]	3.11	3.27	[illegible]	-	-	-
SDR Linked Ds	-	3⅜	3⅜	3⅝	3⅞	-	-	-
week ago	-	3¼	3⅜	3⅞	[illegible]	-	-	-

3 Month US Treasury Bill Yield 3.03 Prime Rate 6pc S LIBOR Interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and [illegible]
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds)

EURO CURRENCY INTEREST RATES

[illegible] 12	Short term	7 days notice	One month	Three [illegible]	Six months	One [illegible]
Belgian Franc	7⅛ - 7⅛	7¼ - 7⅛	7¼ - 7⅛	7⅛ - [illegible]	6⅞ - 6⅞	6⅞ - 6⅞
Danish Krone	7 - 6½	7¼ - 6⅝	7 - 6½	6¾ - 6½	6⅞ - 6⅞	6⅞ - 5⅞
D-Mark	6⅛ - 6	6⅛ - 6⅛	6⅛ - 6	5⅞ - [illegible]	5⅝ - 5½	5⅞ - 5⅞
Dutch Guilder	5⅞ - 5½	5⅞ - 5½	5⅞ - 5⅜	5⅞ - 5⅛	5 - 4⅞	4¾ - 4⅞
French Franc	6⅞ - 6⅞	6⅞ - 6⅞	6½ - 6⅜	6⅜ - 6⅞	6 - 5⅞	5⅝ - 5½
Portuguese Esc	11 - 10⅞	11⅞ - 10⅞	11½ - 11	11⅜ - 10⅞	11 - 10¾	10¾ - 10¼
Spanish [illegible]	9⅞ - 9⅛	9⅞ - 9⅛	9⅞ - 9⅛	8⅞ - 8⅞	8⅞ - 8¼	8⅛ - 7⅞
Sterling	5¼ - 5½	5½ - 5⅜	5⅞ - 5⅞	5⅞ - 5⅞	5⅞ - 5⅞	5⅜ - 5¼
Swiss Franc	4⅛ - 4⅛	4⅛ - 4⅛	4⅛ - 4⅛	4 - 3⅞	3⅞ - 3¾	3⅞ - 3⅞
Can. Dollar	4 - 3⅞	3⅞ - 3¼	3⅞ - 3⅞	3⅞ - 3⅞	3⅞ - 3⅞	4⅛ - 4
US Dollar	3 - 2⅞	3⅛ - 3	3⅛ - 3	3¼ - 3⅛	3⅜ - 3¼	3⅞ - 3⅞
Italian Lira	10 - 8	8¾ - 8¼	8⅜ - 7⅞	8⅜ - 7⅞	8⅛ - 7¾	8⅛ - 7¾
Yen	2⅛ - 2⅛	2⅛ - 2⅛	2⅞ - 2⅞	2¼ - 2⅛	2⅛ - 2	1⅞ - 1⅞
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates are call for the US [illegible] Yen, [illegible] two [illegible]

■ THREE MONTH [illegible] FUTURES (MATIF) [illegible] Interbank offered [illegible]

	Open	Sett price	Change	High	Low	[illegible]	Open int.
Mar	94.24	94.25	[illegible]	[illegible]	94.24	[illegible]	[illegible]
Jun	94.73	94.75	+0.03	94.76	[illegible]	6,394	62,333
Sep	95.10	95.11	[illegible]	95.13	95.09	12,024	36,408
Dec	95.39	95.40	[illegible]	95.42	95.38	[illegible]	[illegible]

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points of [illegible]

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.63	96.62	[illegible]	96.62	96.61	237	[illegible]
Jun	96.35	96.36	[illegible]	96.37	96.34	72	2922
Sep	96.07	96.08	[illegible]	[illegible]	[illegible]	32	859
Dec	95.69	95.70	[illegible]	95.70	95.68	107	198

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett [illegible]	Change	[illegible]	[illegible]	[illegible]	Open int.
Mar	[illegible]	94.48	-	94.50	[illegible]	[illegible]	226312
Jun	[illegible]	94.91	-	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	-0.01	[illegible]	[illegible]	[illegible]	130247
Dec	[illegible]	95.52	[illegible]	[illegible]	[illegible]	[illegible]	98871

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	[illegible]	Open int.
Mar	[illegible]	92.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	+0.03	[illegible]	92.51	2037	[illegible]
Sep	[illegible]	[illegible]	+0.02	92.96	[illegible]	[illegible]	21849
Dec	[illegible]	[illegible]	-	[illegible]	[illegible]	1053	[illegible]

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of [illegible]

	Open	Sett price	Change	High	Low	Est. vol	Open [illegible]
Mar	[illegible]	96.24	+0.03	96.27	96.23	[illegible]	[illegible]
Jun	96.52	96.54	+0.04	96.56	96.52	1404	13427
Sep	96.69	96.70	[illegible]	96.70	96.69	[illegible]	5079
Dec	96.71	96.71	[illegible]	[illegible]	96.71	[illegible]	[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of [illegible]

	[illegible]	Sett price	Change	[illegible]	[illegible]	Est. [illegible]	Open int.
Mar	94.12	94.09	-	94.13	94.09	1648	14715
Jun	[illegible]	94.59	-	[illegible]	[illegible]	495	9871
Sep	94.99	94.98	-	95.03	[illegible]	392	6952
Dec	95.31	95.27	[illegible]	95.33	95.27	218	4[illegible]

* LIFFE futures traded on APT

■ THREE MONTH EURODOLLAR (IMM) $1m [illegible] of [illegible]

	Open	[illegible]	Change	High	[illegible]	[illegible]	Open int.
Mar	96.60	96.63	+0.04	[illegible]	[illegible]	48,522	424,514
Jun	96.33	96.36	+0.04	96.38	96.33	73,296	373,492
Sep	96.05	96.09	+0.05	96.10	96.05	49,461	267,308
Dec	95.67	95.71	+0.05	95.73	95.67	[illegible]	198,174

■ US TREASURY BILL FUTURES (IMM) [illegible] per 100%

Mar	96.90	96.90	+0.03	96.92	[illegible]	1,112	27,487
Jun	[illegible]	[illegible]	[illegible]	96.66	[illegible]	[illegible]	5,681
Sep	[illegible]	96.43	+0.03	96.42	96.42	[illegible]	2,095

■ [illegible] figs. are [illegible]

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	[illegible]	Sep
9425	[illegible]	0.68	1.06	0.02	[illegible]	0.02
9450	[illegible]	0.45	[illegible]	0.10	0.04	0.03
[illegible]	0.02	0.25	0.60	0.29	0.09	0.06

Est. vol. total, Calls 5168 Puts 6048. Previous day's open int., Calls 186186 Puts 100777

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9600	0.26	0.56	0.74	0.02	0.02	0.04
9625	0.09	0.34	0.52	0.09	0.05	0.07
9650	0.02	0.17	0.34	0.28	0.13	0.14

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls [illegible] Puts 2450

EMS EUROPEAN CURRENCY UNIT RATES

[illegible] 12	[illegible] cen. rates	Rate against Ecu	Change [illegible]	[illegible] cen. rate	[illegible]	Div. ind.
Ireland	0.808628	0.773854	-0.001513	-4.30	8.98	39
[illegible]	2.19672	[illegible]	+0.00281	-1.05	6.41	-
[illegible]	1.94964	1.94111	+0.00265	-0.44	4.76	-
[illegible]	40.2123	40.4430	+0.0505	0.57	3.70	-4
France	6.53883	6.59450	+0.0034	0.85	3.42	-7
Denmark	[illegible]	7.52692	[illegible]	1.21	3.05	-8
[illegible]	[illegible]	196.702	-0.541	2.00	2.26	-13
Spain	[illegible]	160.873	-0.011	4.30	0.00	[illegible]
[illegible] ERM [illegible]						
[illegible]	264.513	278.090	+0.244	5.51	-1.18	-
[illegible]	1793.19	1893.35	-6.4	5.59	-1.22	-
UK	0.786749	0.744595	-0.00313	-5.36	10.20	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central [illegible]
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

[illegible]	CALLS [illegible]	Feb	[illegible]	PUTS Jan	[illegible]	Mar
1.400	[illegible]	9.50	[illegible]	-	-	0.10
1.425	[illegible]	7.11	7.14	-	0.01	0.31
1.450	[illegible]	[illegible]	[illegible]	-	0.17	0.73
1.500	[illegible]	2.80	[illegible]	0.36	0.64	1.46
1.500	0.38	1.35	2.02	2.43	[illegible]	2.59
1.625	-	[illegible]	1.10	-	[illegible]	4.12

Previous day's vol., Calls 6,099 Puts 15,088. Prev. day's open int., Calls 617,342 Puts 464,463

UK INTEREST RATES

LONDON MONEY RATES

[illegible]	Over-night	7 days [illegible]	[illegible] month	[illegible]	Six [illegible]	[illegible]
[illegible] Sterling	7 - 5½	5⅞ - 5⅞	5⅞ - 5⅞	5½ - 5⅜	5⅞ - 5⅜	5⅜ - 5¼
[illegible]	-	-	5⅞ - 5⅛	5⅞ - 5⅞	5¼ - 5⅞	5¼ - 5⅛
Treasury Bills	-	-	5⅞ - 5⅞	5 - 4⅞	-	-
Bank Bills	-	-	5⅞ - 5⅞	5⅛ - 5⅞	5⅞ - 5⅞	-
Local authority deps.	5⅞ - 5⅞	5⅞ - 5⅞	5⅞ - 5⅞	5⅞ - 5⅞	5⅜ - 5¼	[illegible] - 5⅞
Discount market deps.	6¼ - 5½	5⅞ - 5½	-	-	-	-

[illegible] clearing [illegible] lending rate 5½ per [illegible] 1993

	Up to 1 month	1-3 month	3-6 months	6-9 [illegible]	[illegible] months
[illegible] of [illegible] dep. (£100,000)	1¾	4¼	[illegible]	3¾	3¾

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
Ave. tender rate of discount 4.8934pc. ECGD fixed rate Stg. Export Finance. Make up day December 31, 1993. Agreed rate for period Jan 26, 1994 to Feb 25, 1994, Schemes II & III 6.65pc. Reference rate for period Dec 1, [illegible] Dec 31, 1993, Schemes IV & V 5.375pc. Finance House Base Rate 5½pc from Jan 1, 1994

■ THREE [illegible] STERLING FUTURES (LIFFE) £500,000 [illegible] of 100%

	Open	Sett price	Ch[illegible]	High	Low	Est. vol	Open int.
[illegible]	[illegible]	94.64	+0.01	94.68	94.62	37041	120606
Jun	94.80	94.77	-0.01	94.84	94.75	[illegible]	[illegible]
Sep	[illegible]	94.79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	94.76	-0.05	[illegible]	94.74	13339	[illegible]

Traded on APT. [illegible] Open [illegible] figs. are for [illegible]

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS [illegible]	Jun	Sep	PUTS Mar	Jun	[illegible]
[illegible]	0.13	0.35	0.46	0.05	0.08	0.17
9475	0.07	0.20	0.29	0.18	0.18	[illegible]
[illegible]	[illegible]	[illegible]10	0.18	0.38	[illegible]	[illegible]

[illegible] 20084 [illegible] Previous day's open int., [illegible] 122969 Puts 112101

BASE LENDING RATES

	%		%		%
[illegible] & Company	5.5	Duncan Lawrie	5.5	*Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Allied Trust Bank	5.5	Exeter Bank Limited	6.5	Royal Bk of Scotland	5.5
AIB Bank	5.5	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.5
●Henry Ansbacher	5.5	●Robert Fleming & Co	5.5	Standard Chartered	5.5
Bank of Baroda	5.5	Girobank	5.5	TSB	5.5
Banco Bilbao Vizcaya	5.5	●Guinness Mahon	5.5	●United Bk of Kuwait	5.5
Bank of Cyprus	5.5	Habib Bank AG Zurich	5.5	Unity Trust Bank Plc	5.5
Bank of Ireland	5.5	●Hambros Bank	5.5	Western Trust	5.5
Bank of India	5.5	Heritable & Gen Inv Bk.	5.5	Whiteaway Laidlaw	5.5
Bank of Scotland	5.5	●Hill Samuel	5.5	Wimbledon & Sth West.	7
Barclays Bank	5.5	C. Hoare & Co	5.5	Yorkshire Bank	5.5
Brit Bk of Mid East	5.5	Hongkong & Shanghai.	5.5		
●Brown Shipley	5.5	Julian Hodge Bank	5.5		
CL Bank Nederland	5.5	●Leopold Joseph & Sons	5.5		
Citibank NA	5.5	Lloyds Bank	5.5		
City Merchants Bank	5.5	Meghraj Bank Ltd	5.5		
Clydesdale [illegible]	5.5	Midland Bank	5.5		
The Co-operative Bank	[illegible]	* Mount Banking	6		
Coutts & Co	[illegible]	NatWestminster	5.5		
Credit Lyonnais	5.5	●Rea Brothers	5.5		
Cyprus Popular Bank	5.5				

● Members of British [illegible] Banking [illegible] Securities [illegible]
* In administration

MONEY MARKET FUNDS

Money Market Trust Funds

CAF Money Management Co Ltd [illegible]
The COIF Charities Deposit Account [illegible]
Cent. Bd. of Fin. of Church of England [illegible]
Gartmore Money Management Ltd [illegible]

Money Market Bank Accounts

Allied Trust Bank Ltd [illegible]
American Express Bank Ltd [illegible]
Bank of Ireland High Interest Cheque Acc [illegible]
Bank of Scotland [illegible]
Barclays Select [illegible]
Barclays Prime Account H.I.C.A. [illegible]
Brown Shipley & Co Ltd [illegible]
Caledonia Bank Plc [illegible]
Cater Allen Ltd [illegible]
Charterhouse Bank Limited [illegible]
Clydesdale Bank Flexible Solution Acc [illegible]
The Co-operative Bank [illegible]
Coutts & Co [illegible]
Dao Heng Bank (London) PLC Premier Acc [illegible]
Dunbar Bank [illegible]
Gartmore Money Management Ltd [illegible]
Halifax Bldg Soc Asset Reserve Cheque Acc [illegible]
Julian Hodge Bank Ltd [illegible]
Humberclyde Finance Group [illegible]
Leopold Joseph & Sons [illegible]
Kleinwort Benson Private Bank [illegible]
Lloyds Bank - Investment Account [illegible]
Midland Bank plc [illegible]
Nationwide Bldg Soc [illegible]
Rea Brothers Limited, Bankers [illegible]
Royal Bank of Scotland plc Premium Acc [illegible]
Save & Prosper/Robert Fleming [illegible]
Tyndall Bank plc [illegible]
United Dominions Trust Ltd [illegible]
J. Henry Schroder Wagg & Co Ltd [illegible]
Western Trust High Interest Cheque Acc [illegible]
Woolwich & South West Finance PLC [illegible]

Are you dealing in over $1m? Fast, Competitive Quotes 24 Hours on 071-329 3333 or fax 071-329 [illegible]

NO MORE DANCING!
SATQUOTE™ – Your single service for real time quotes.
Futures • Options • Stocks • Forex • News • Via Satellite
LONDON +71 [illegible] 3377 NEW YORK +212 2696636 FRANKFURT +4969 [illegible]

FUTURES & OPTIONS TRADERS
BERKELEY FUTURES LIMITED
38 DOVER STREET, LONDON W1X 3RB
TEL: 071 629 1133 FAX: 071 495 0022

FOR TRADERS ON THE MOVE
Watch the markets move with the screen in your pocket that receives Currency, Futures, [illegible] updates [illegible] a day. For your 7 day [illegible] trial, call [illegible] Pager Ltd on 071 [illegible] now.
FUTURES PAGER

TAX-FREE SPECULATION IN FUTURES

Dollar Forecasts [illegible] Myths for 1994

FOREXIA FAX $ £ Dm ¥
DAILY FOREIGN EXCHANGE COMMENTARIES, CHARTS, FORECASTS AND RECOMMENDATIONS
Tel: +44 81 948 [illegible] Fax: +44 81 948 8469
FOREXIA FAX – by using handset on your fax machine dial +44 81 332 7426

Currency Fax - FREE 2 week trial
Tel: 071-734 7174 Fax: 071-439 4966

24 HOUR FOREIGN EXCHANGE
London Dealing Desk

CURRENCY MANAGEMENT

•FOREX •METALS •BONDS •SOFTS
0962 879764

مكتبة الأصيل

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jan 12 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Jan 12 / Frs.)

[illegible]

DENMARK (Jan 12 / Kr)

[illegible]

FINLAND (Jan 12 / Mka)

[illegible]

FRANCE (Jan 12 / Frs.)

[illegible]

GERMANY (Jan 12 / Dm.)

[illegible]

ITALY (Jan 12 / Lire)

[illegible]

NETHERLANDS (Jan 12 / Fls.)

[illegible]

NORWAY (Jan 12 / Kroner)

[illegible]

SPAIN (Jan 12 / Pts.)

[illegible]

SWEDEN (Jan 12 / Kronor)

[illegible]

SWITZERLAND (Jan 12 / Frs.)

[illegible]

PACIFIC

JAPAN (Jan 12 / Yen)

[illegible]

HONG KONG (Jan 12 / H.K.$)

[illegible]

MALAYSIA (Jan 12 / MYR)

[illegible]

SINGAPORE (Jan 12 / S$)

[illegible]

AUSTRALIA (Jan 12 / Aust$)

[illegible]

NORTH AMERICA

CANADA

TORONTO (Jan 12 / Can $)

4 pm close

[illegible]

MONTREAL (Jan 12 / Can $)

4 pm close

[illegible]

AFRICA

SOUTH AFRICA (Jan 12 / Rand)

[illegible]

Prices supplied by Telekurs

NOTES - OWING TO PROBLEMS AT TELEKURS, MOST HIGH/LOW FIGS CURRENTLY RELATE TO 1993 ONLY. Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

FT FREE ANNUAL REPORTS SERVICE

You can obtain the current annual reports of companies annotated with ♣. Ring 081 770 0770 or fax 081 770 3822, quoting FT Japan. If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822, quoting FT Japan. The Reports will be sent on the next working day. If faxing please remember to quote FT Japan and also your post code.

■ TOKYO - MOST ACTIVE STOCKS: Wednesday, January 12, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Hanwa	12.5m	728	+91	Mitsubishi Matl	4.7m	446	+3
Isuzu Motors	10.4m	420	-3	Nippon Paint	4.2m	875	+96
Sumitomo Mtl Min	6.8m	940	+25	Tokyu Land	4.1m	666	+18
Oki Electric	5.1m	584	+15	Mitsubishi Hvy	4.1m	673	+3
Hitachi	4.8m	849	+9	Fujitsu	4.0m	886	+2

INDICES

	Jan 12	Jan 11	Jan 10	1993/4 High		Low	
[illegible]							
Thailand							
Bangkok SET (30/4/75)	1487.76	1505.00	1545.28	1789.73	4/1/94	818.84	1/6/93
Turkey							
Istanbul Cop.(Jan 1986)	27257.0	25656.8	25447.1	27287.00	12/1/94	3855.83	1/1/93
WORLD							
MS Capital Int (1/1/70)$	606.2*	608.1	611.2	611.28	11/1/94	489.00	13/1/93
CROSS-BORDER							
Eurotrack 100(26/10/90)	1475.08	1493.81	1493.27	1493.81	11/1/94	1093.02	13/1/93
Euro Top-100 (26/6/90)	1245.04	1258.94	1254.58	1258.94	11/1/94	882.73	13/1/93
JCapelDrgns (31/12/88)	(u)	359.98	369.95	395.19	5/1/94	188.92	4/1/93
Barings Emerg.(7/1/92)	166.11	167.90	171.51	172.25	6/1/94	99.61	4/2/93

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Jan	2325.0	2291.0	-44.0	2328.0	2291.0	25,506	40,757
Feb	2337.5	2303.5	-44.0	2337.5	2308.5	69	1,829
Mar	2349.5	2315.5	-44.0	2352.0	2318.5	1,226	31,305
Jun	2330.0	2311.0	-44.0	2330.0	2330.0	150	2,035

Open interest figures for previous day.

[illegible] Euro Top-100, ISEQ Overall; Toronto Comp./Metals & [illegible] SE All Common - 50 and Standard and Poor's - 10. §§ [illegible] Jan 12 - 2182.08 -46.04.

US INDICES

Dow Jones	Jan 11	Jan 10	Jan 7	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Industrials	3850.31	3865.51	3820.77	3865.51 (10/1/94)	3241.95 (20/1/93)	3865.51 (10/1/94)	41.22 (2/7/32)
Home Bonds	105.58	105.31	105.16	111.29 (10/12/93)	103.49 (11/1/93)	111.29 (10/12/93)	54.99 (1/10/81)
Transport	1812.29	1819.58	1799.21	1819.58 (10/1/94)	1453.84 (4/1/93)	1819.58 (10/1/94)	12.32 (8/7/32)
Utilities	222.19	224.23	222.98	256.46 (31/8/93)	217.14 (8/1/93)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3885.21 (3874.52) Low 3823.02 (3804.72) (Theoretical♣)
Day's high 3865.51 (3865.51) Low 3846.09 (3814.01) (Actual♣)

Standard and Poors	Jan 11	Jan 10	Jan 7	1993/4 High	1993/4 Low	Since compilation High	Since compilation Low
Composite ‡	474.13	475.27	469.90	476.27 (10/1/94)	429.05 (8/1/93)	475.27 (10/1/94)	4.40 (1/6/32)
Industrials	552.12	553.49	547.02	553.49 (10/1/94)	496.46 (26/4/93)	553.49 (10/1/94)	3.62 (21/6/32)
Financial	44.88	44.85	44.38	48.40 (28/9/93)	39.09 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	262.26	262.76	260.34	262.76 (10/1/94)	236.21 (8/1/93)	262.76 (10/1/94)	4.46 (25/4/42)
Amex Mkt Val	479.37	478.78	479.49	484.28 (2/11/93)	395.84 (8/1/93)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Cmp	785.52	786.69	782.84	787.42 (15/10/93)	645.87 (26/4/93)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Jan 7	Dec 31	Dec 17	Year ago
Dow Jones Ind. Div. Yield	2.65	2.68	2.67	3.19
	Jan 5	Dec 29	Dec 22	Year ago
S & P Ind. Div. yield	2.38	2.38	2.40	2.58
S & P Ind. P/E ratio	27.72	27.21	27.43	26.85

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Mar	475.35	475.30	-0.05	475.75	476.00	47,671	182,512
Jun	476.15	476.40	+0.05	476.70	476.15	147	3,816
Sep	-	477.70	-	477.85	477.55	9	791

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
Telefonos	5,710,200	66½	+1
Amer Express	5,241,800	30⅝	+1⅛
Blockbuster	4,026,100	28⅝	+⅜
Natl Steel	3,795,000	13⅛	-⅛
Gen Motors	3,725,600	59⅝	+⅝
Maxus Energy	3,628,800	5⅛	-⅛
Westinghouse	3,455,300	13⅝	-⅛
Wal-Mart Strs	3,380,500	25⅞	+⅝
Ford Motor	3,022,300	68⅝	+1⅛
RJR Nabisco	2,720,100	6⅝	-⅛

■ TRADING ACTIVITY

● Volume (million)

	Jan 11	Jan 10	Jan 7
New York SE	298.024	317.598	323.367
Amex	18.797	19.177	21.678
NASDAQ	321.930	313.352	330.058
NYSE			
Issues Traded	2,740	2,736	2,718
Rises	995	1,332	1,277
Falls	1,144	815	852
Unchanged	601	589	589
New Highs	121	139	91
New Lows	12	11	19

† Correction. * Calculated at 15:00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

If this page gets your heart racing, you need a Pulse.

Pulse brings you more news from more of the world's markets than any other information pager, updated every minute by Dow Jones Telerate.

CALL NOW FOR YOUR FREE TRIAL ON 0800 28 28 26 EXTENSION 1154

PULSE POCKETABLE FINANCIAL INFORMATION

Hutchison Telecom

Telecommunications from Hutchison Whampoa Limited

Is this your own copy of the Financial Times?

Or do you rely on seeing someone else's? Every day the FT reports on the topics that matter to people doing business every day, in and from Europe.

We cover the latest European, U.S. and international news, and analyse the implications from a European perspective. In fact you'll find far more than finance in the FT.

No surprise then, that the Financial Times is read by more top business executives in Europe than any other publication.*

Make sure you're one of them by getting your own copy of the newspaper delivered daily to your office.

*Source: EBRS 1993

FT

To: Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt/Main, Germany. Tel. +49 69 156 850, Tlx 416193, Fax +49 69 596 4483.

SUBSCRIBE NOW AND GET THE FIRST 12 ISSUES FREE.

To: Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt/Main, Germany Tel. +49 69 156 850, Tlx 416193, Fax +49 69 596 4483.

YES, I would like to subscribe to the Financial Times, and enjoy my first 12 issues free. I will allow up to 21 days before delivery of my first copy. Please enter my subscription for 12 months at the following rate*

Austria	ÖES 5,800	France	FFR 2,040	Netherlands	DFL 875	Sweden	SEK 3,220
Belgium	BFR 13,500	Germany	DM 750	Norway	NOK 3,220	Switzerland	SFR 710
Denmark	DKK 3,200	Italy	LIT 600,000	Portugal	ESC 60,000		
Finland	FMK 2,200	Luxembourg	LFR 13,500	Spain	PTS 63,000		

For subscriptions in Turkey, Cyprus, Greece, Malta, please contact +32 2 513 28 16.

☐ Bill me ☐ Charge my American Express/Diners Club/ Eurocard/Visa Account. Expiry Date ______

*Currency rates are only valid for the country in which they are quoted. Subscription Prices are correct at time of going to press. Prices are exclusive of VAT in all EC countries except Germany and France. FT VAT No. DE114230192.

To subscribe to the FT in North America contact New York Tel 7524500, Fax 3082397, Far East contact Tokyo Tel 32951711, Fax 32951712.

☐ Please tick here for more information about 6 and 24 month subscription rates, or rates for a country not listed opposite.

(Please specify) ______

Name ______ Title ______

Company ______ Tel ______

Address to which I would like my Financial Times delivered.

VAT No ______

Signature ______ Date ______

F2

Financial Times. Europe's Business Newspaper.

4 pm close January 12

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15	11½	AAR	0.48	3.3	491	151	14⅞	14¾	14⅞	-⅛
29¾	12¾	A L Labs A	0.18	1.3	32	152	14¼	14⅛	14⅛	-⅛
67¼	54⅝	AMP	1.60	2.5	22	1697	63½	63	63⅛	-½
72¾	55½	AMR			55	5087	70¾	69⅝	70	-¼
3⅞	1¾	ARX			17	985	u4¼	4⅛	4¼	+⅛
51½	29⅞	ASA	2.00	3.7	36	915	u55⅛	54⅝	54¾	-⅞
30¾	22⅝	AbbtL	0.68	2.3	18	6470	30⅛	29⅝	29⅝	-½
12⅝	8¾	AbitibiPr	0.50	4.1	7	79	12⅛	12¼	12¼	-⅛
15⅝	9¼	Acptncaln			21	10	12⅞	12⅞	12⅞	+⅛
36	25½	ACE Ltd	0.40	1.4	5	485	29⅝	29⅜	29⅝	
12⅝	10¼	ACM Gvt In	1.06	8.4		565	12½	12⅜	12½	+⅛
10½	9½	ACM GvOpp x	0.80	8.3		99	9⅝	9½	9⅝	
10⅝	8¾	ACM Gvt Sp	0.95	9.3		288	10¼	10⅛	10¼	+⅛
12¼	10½	ACM Gvt Se	1.04	8.7		266	12	11⅞	12	+⅛
12½	9⅝	ACM Man	1.08	9.5		370	11½	11⅜	11⅜	-⅛
9⅞	8⅝	ACM Mcnsgd x	0.72	7.9		234	9⅛	9	9⅛	
12⅞	7¾	AcmeClv	0.44	4.5	12	49	9⅞	9½	9¾	-⅛
11⅞	6⅞	Acme Elect			35	55	8	7¾	7⅞	
27⅝	18⅜	Acordia	0.44	1.8	13	24	24	23¾	24	
16	10⅜	Acuson			58	376	13	12⅞	13	
21¾	17¾	Adams Expr	0.52	2.8	0	336	18¼	18⅛	18¼	
65¼	45½	Ad Micro	3.00	6.3		62	47⅞	46¾	47⅞	+⅞
32¾	17	AdvMic	3.00	16.8	6	7041	18⅛	17¾	17⅞	+¼
8⅛	5½	Advest Grp	0.16	2.4	11	92	6⅝	6½	6⅝	
24¾	14⅞	Advo Inc	0.08	0.4	85	588	18	17¾	17⅞	
58½	41⅛	Aegon ADR	1.23	2.2	12	18	55⅞	55½	55⅞	-⅛
68¼	43⅞	AetnaL	2.76	4.9	24	2418	56½	55⅞	56⅛	+⅛
34	24⅞	Aflac	0.40	1.5	12	2687	26⅞	26¼	26½	+¼
22⅛	16⅞	Ahmnsn	0.88	4.5	9	1534	19¾	19½	19⅝	
7¾	3⅝	Aileen Inc			3	734	3	u2¾	2⅞	-⅛
48½	37½	AirPrC	0.92	2.0	26	1623	47¼	45⅝	46⅞	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- B -

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8⅞	5⅛	Barnwl	0.20	2.4	26	2396	8½	8⅜	8½	
10⅞	4⅞	BattMt	0.05	0.4	162	1637	u11⅝	11⅜	11⅜	-¼
57½	43	Bausch	0.88	1.8	15	2840	51⅞	49	49⅝	-1
32¾	20	Baxter	1.00	4.1	13	3915	24½	24⅛	24⅛	-¼
32	24⅛	Bay St Gas	1.42	5.2	15	90	27⅞	27¼	27¼	-½
25	22	Bd Tr 1838	1.72	7.8		6	22¼	22⅛	22⅛	-⅛
26	15	Bear Strns	0.60	2.6	7	2196	23	22½	23	+⅛
50¼	45½	BearStPfA	2.75	5.6		20	48¾	49	49¼	

- C - / - D - / - E - / - F - / - G - / - H - / - I - / - J - / - K - / - L - / - M - / - N - / - O - / - P - Q - / - R - / - S -

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BE OUR GUEST.

JOLLY HOTEL
DU GRAND SABLON
BRUSSELS

When you stay with us in
BRUSSELS
stay in touch - with
your complimentary copy
of the

4 pm close January 12

NYSE COMPOSITE PRICES

Continued from previous page

1993/94 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg'e Prev. Close
26	16⅞	Safeg'd Sc			13	387	u29	26⅞	28¾	+1⅞
24¾	13⅛	StJyd	0.36	2.0	27	3271	18⅜	17⅝	17⅞	-⅜
22¾	10⅞	Safeway			25	1812	20¼	19½	20¼	+¾
5¼	2	SafewayW98				2100	4⅜	4⅜	4⅜	
55	37½	StJoePaper	0.20	0.4	278	47	53⅜	52¾	53	-¼
37⅞	28¾	StJosL&P	1.78	6.2	11	15	28½	d28¼	28¾	
95	76	StPaul	2.80	3.2	14	693	87¾	87⅛	87½	+¼
11⅞	6⅛	Salant Corp			10	63	8¼	8	8	-⅛
73¼	39⅞	Sallie Mae	1.40	2.9	10	4805	48½	47⅝	48⅛	-¼
14⅞	12⅝	Salomon Br	0.55	4.2		485	13¼	13⅛	13¼	
51⅞	34	Salomon	0.64	1.4	11	4771	47⅞	46⅞	46¾	-¾
27¾	23¼	SnDgGE	1.48	6.1	13	582	24⅜	23⅞	24⅛	+¼
5	3½	SantaFeEDu	0.40	8.2	48	10	4⅞	4⅞	4⅞	
11⅞	8⅝	SantaFeERt	1.40	14.9	312	1328	9⅝	9¼	9⅜	-⅛
40⅛	35¾	SantaFePac	2.80	7.3	16	88	38¼	37¾	38¼	+½
22½	12¾	SanFeP	0.10	0.4	9	3905	d23¾	22⅞	23¾	+⅜
31⅛	21	SaraLee	0.64	2.8	17	9239	25⅞	24⅛	24¾	-¾
52¼	40⅛	Scana Corp	2.74	5.6	13	362	49½	49⅛	49⅛	+⅜
28¼	19⅞	Scecp	1.42	7.1	13	7205	20	d19⅞	20	
38⅞	23⅞	SchererRP			29	331	37	36¼	36¾	-¼
71	57¾	SchPl	1.80	2.7	16	3279	67⅞	65⅞	66¾	-⅝
68⅞	55⅛	Schlmb	1.20	2.0	23	8094	60	59⅜	59⅞	+⅜
38⅞	16½	Schwab(C)	0.20	0.6	15	1015	31⅞	31	31½	+⅛
7⅝	5⅝	Schwitzer			98	131	7⅛	6⅞	7	+⅛
38⅞	17¼	SciAtl	0.12	0.3	55	2232	36⅞	36⅛	36½	+⅜
14⅝	9⅛	Scotsman	0.10	0.7	13	4	14	14	14	-⅛
41¼	31	ScottP	0.80	1.9	26	2535	u42¼	41½	42⅛	
28½	14¼	ScuddrNAsF	0.27	1.1		387	25¼	24½	25¼	-¼
11¼	7½	ScuddrNEuF	0.16	1.5		217	10⅜	10⅛	10⅜	

[illegible]

AMEX COMPOSITE PRICES

4 pm close January 12

[illegible]

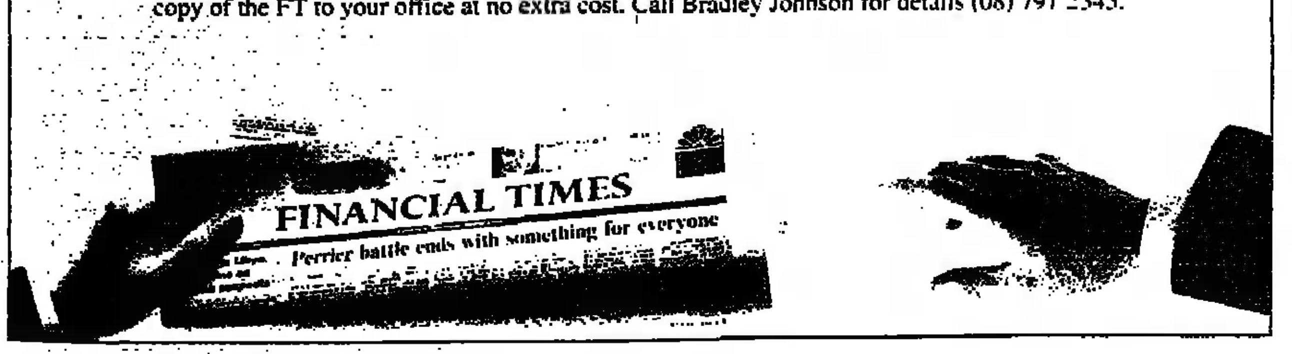
NASDAQ NATIONAL MARKET

4 pm close January 12

[illegible]

GET YOUR FT BY HAND DELIVERY IN STOCKHOLM.

If you work in the business centres of Malmo, Lund, Stockholm or Gothenburg we'll deliver your daily copy of the FT to your office at no extra cost. Call Bradley Johnson for details (08) 791 2345.



AMERICA

Inflation data fail to prevent profit-taking

Wall Street

US share prices succumbed to profit-taking for the second consecutive session yesterday as the stock market failed to respond positively to good inflation news and a sharp drop in bond yields, *writes Patrick Harverson in New York.*

By 1 pm, the Dow Jones Industrial Average was down 7.60 at 3,842.71. The more broadly-based Standard & Poor's 500 was only slightly lower at the halfway mark, down 0.76 at 473.37, while the Amex composite was off 0.54 at 478.83 and the Nasdaq composite 0.94 lower at 784.58. Trading volume was 193m shares by 1 pm, and rises marginally outpaced declines by 961 to 946.

The day's big economic news was bullish for financial markets. The government announced that its index of producer prices rose by only 0.1 per cent in December, and that the "core" measure of producer price inflation (which excludes the volatile food and energy components) rose by 0.2 per cent during the month.

The data were in line with expectations, but still produced a strong reaction from the bond market, where prices of long-dated government securities jumped sharply, pushing yields lower.

In early afternoon trading the benchmark 30-year bond was up by more than a point, and the yield was down to 6.157 per cent.

Neither the inflation numbers, nor the bond market's strong performance, however, was able to breathe life into the equity market, where investors continued to take profits in the wake of the six-day long new year rally. As on Tuesday, blue-chip issues and other Dow stocks tied closely to the economic cycle – all of which had risen substantially during the first week of the year – were hardest hit by the selling.

Among individual sectors, auto makers, which have been in particularly heavy demand lately as investors bet on another year of improving car and truck sales, moved lower as a group. Ford fell $⅝ to $67⅞, General Motors gave up $⅜ at 59, and Chrysler slipped $⅝ to $58⅞.

Westinghouse Electric fell $½ to $13½ in volume of almost 2m shares as investors responded to the news that the company will take charges of $750m in a restructuring that will cut Westinghouse's workforce by 6,000. The company also plans to raise $500m of new capital to bolster its balance sheet.

American Express firmed $¼ to $31 after an analyst at Merrill Lynch upgraded his rating on the stock from "neutral" to "above-average". Fannie Mae firmed $⅛ to $84¼ on news of record fourth-quarter and annual earnings of $493.6m and $1.87bn, respectively.

On the Nasdaq market leading technology stocks were mixed, with Intel up $1¼ at $68 but Microsoft down $1¼ at $84 and Apple Computer off $⅞ at $31.

Canada

Toronto was weaker overall at midsession, although the communications and media sector went in the opposite direction, the sub-index adding 137.08, or 1.6 per cent, to 8,567.36. The TSE-300 index was down 16.94 at 4,430.49.

Volume was 46.6m shares valued at C$566m.

ASIA PACIFIC

Bangkok falls 7.3% on selling flurry

Tokyo

Late afternoon index-linked buying lifted prices, and the Nikkei average finished 1.7 per cent higher, posting its sixth consecutive rise, *writes Emiko Terazono in Tokyo.*

The 225-issue index added 308.63 at 18,793.88 after a low of 18,301.93 in the morning and a high of 18,807.08 just before the close. The sudden wave of demand after a mainly quiet day took most investors by surprise, with some traders saying much of the buying was speculative.

The Topix index of all first section stocks closed 10.59 up at 1,511.43, and in London the ISE/Nikkei 50 index gained 4.68 at 1,252.09. Volume came to 410m shares, against 441m. Rises led declines by 792 to 234, with 144 issues unchanged.

Corporate investors continued to take profits ahead of the March book closing, depressing bank stocks. Active buying by foreign investors, seen during the past few trading sessions, was absent, while some dealers also took profits.

Housing and real estate shares were supported by reports that Mr Morihiro Hosokawa, the prime minister, was planning to set up a task force to study measures to revive the real estate market. Tokyu Land rose Y18 to Y666 and Daiwa House Industry put on Y10 at Y1,610.

Shipping issues, considered relatively cheap, were bought, with Dawasaki Kisen Kaisha moving ahead Y15 to Y345 and Iino Kaiun Kaisha Y15 to Y575.

Some banks were lower on profit-taking. Industrial Bank of Japan receded Y10 to Y2,860 and Sumitomo Bank also lost Y10, to Y1,980.

In Osaka, the OSE average firmed 117.73 to 20,502.48 in volume of 41.7m shares.

Roundup

Pacific Rim markets remained in an extremely volatile state yesterday, with sharp falls seen in Bangkok, Kuala Lumpur, Hong Kong and Singapore.

However, Mr Jonathan Dennis of HG Asia commented that there was no common theme to link the day's falls; each of the markets was reacting to local developments. He noted that the day's falls had returned the indices in the four markets close to the levels seen on December 21 as the speculative bubble seen over the Christmas and new year period had finally burst. This begged questions about whether there would be the traditional run-up to the Lunar New Year from February 10 to 12.

BANGKOK plummeted 7.3 per cent, its sharpest ever one-day fall, as foreigners and local investors joined in a selling flurry that hit the recent gainers hardest. The SET index shed 117.30 to 1,487.76 in turnover of Bt24bn.

Finance, property and banking led the falls, with finance issues down 9.2 per cent.

KUALA LUMPUR tumbled 6.4 per cent, having been more than 12 per cent down at one stage, after the central bank took tougher measures to sap liquidity and flush out hot money from the banking system. The composite index was off 73.33 at 1,066.22 after a day's low of 1,015.14.

Yesterday's fall came on top of a 5.6 per cent slide on Tuesday after a warning by a government adviser that the market had risen too steeply.

HONG KONG continued its steep slide as it saw further profit-taking by foreign, mostly Japanese, institutions. The Hang Seng index dropped 443.08, or 4 per cent, to 10,712.73, having been 562 points down at one stage. Turnover amounted to HK$7.78bn.

SINGAPORE saw another plunge amid heavy retail and institutional selling which left the Straits Times Industrial index 87.89, or 3.7 per cent, lower at 2,260.31.

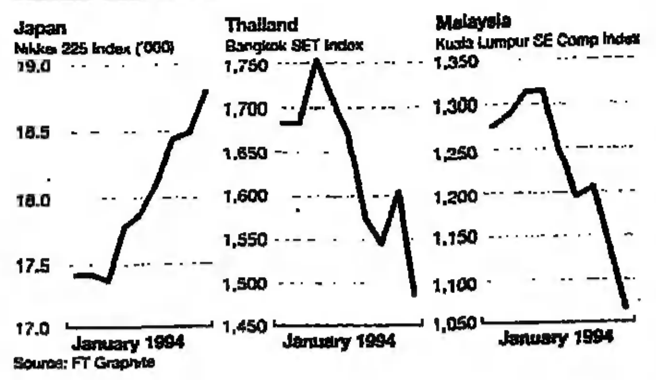
TAIWAN finished weaker in shrinking turnover as the market consolidated and an official was quoted as saying that the central bank would act to correct excessive flows of funds into the market. The weighted index fell 25.18 to 6,215.21.

MANILA was down for the fourth straight day, although bargain hunters emerged for selected stocks. The Manila index shed 111.39 to 2,978.00.

SEOUL picked up on demand for blue chips and shares with low price/earnings ratios, in spite of further selling by the Korea Stock Market Stabilisation Fund. The composite index put on 5.29 at 866.31.

BOMBAY moved sharply higher after the market was shaken out of a dull start by a fresh round of buying in later trading, brokers said. The BSE 30-share index finished 123.69 ahead at 3,903.79. KARACHI remained at a record peak and the KSE 100-share index rose 35.73 to 2,382.87.

Asian markets



Source: FT Graphite

EUROPE

Alcatel slides 12% putting pressure on French equities

Individual stories played a major part in trading yesterday, *writes Our Markets Staff.*

Alcatel was the main story in PARIS as investors reacted nervously to comments by Mr Pierre Suard, the chairman, that turnover and profits would fall this year. Brokers' downgrades followed and the shares were suspended during the session limit down, before closing off FFr110 or 12.2 per cent at FFr792. A low of FFr787 was recorded as volume reached some 3.8m shares.

The effect on the CAC-40 index was to leave it down 49.43 or 2 per cent at 2,281.90.

Turnover was heavy at FFr9.2bn.

In contrast Thomson-CSF gained from switching out of Alcatel, with the shares rising FFr11.30 or 5.8 per cent to FFr206.90.

FRANKFURT slipped back further as worries over the future of Metallgesellschaft affected sentiment and the slide in Alcatel affected Siemens stock.

At the official close the DAX index was quoted down 19.57 at 2,309.18, but in after hours trading selling took hold to drive the Ibis calculated index down 45.70 to 2,182.36.

Turnover was DM11bn.

News that Norddeutsche Landesbank, one of industrial group's main creditor banks, was unwilling to accept the rescue package by yesterday's 5pm deadline, hit overall sentiment. Deutsche Bank, the main shareholder, which has criticised the stance of NordLB fared badly, down DM10.70 to DM851.50 at the close, and then sliding to DM839.00 in the after market. Daimler, another shareholder, fell DM7.50 to DM849.00, and to DMDM834 in the post.

Metallgesellschaft lost DM10 to DM226, then to DM223 in the after market.

Siemens dipped ahead of today's expected announcement of results with analysts anticipating disappointing news. The shares fell DM19 to DM762.50, before ending the post-bourse session at DM751.50.

AMSTERDAM also saw a downturn as the AEX index slipped 7.66 or 1.8 per cent to 416.35 following sharp falls in a number of the major issues: Royal Dutch off Fl 1.70 at Fl 208.00, Unilever down Fl 4.50 at Fl 219.30 and Elsevier down Fl 4.90 at Fl 177.70 for instance.

Further switching was seen out of Akzo and into DSM as the former lost Fl 4.90 to Fl 203.00 and the latter rose Fl 1.80 to Fl 112.30.

MILAN was distracted by the day's fast moving and constantly changing political developments as the government faced up to the long awaited vote of confidence. The Comit index added 3.26 to 605.39 with the mood again restrained by the absence of a firm date for the general election.

Montedison again saw huge volume of 47.9m shares, slipping L6.30 to L922.40 as the market awaited the outcome of the rights issue which closed on Monday.

Olivetti shed L6.30 to L2,047 on news that ENI had joined forces with Fiat and Fininvest to bid for the second license for Italy's mobile telephone network.

ZURICH finished easier but up from earlier lows with the SMI index 27.6 down to 2,999.0.

SBC bearers, the most actively-traded share, fell SFr6 to SFr507 after Tuesday's strong gains. Winterthur shed SFr26 to SFr833 and Swiss Re was SFr12 lower at SFr720.

Recently strong cyclical shares recorded losses. BBC Brown Boveri fell SFr33 to SFr1,132, and Alusuisse bearers were SFr24 lower at the day's low of SFr620.

Foreign selling again pressured SMH, the watchmaker, leaving the registered shares SFr10 lower at SFr191.

MADRID was left lower by profit-taking and the early fall on Wall Street, and the general index shed 2.55 to 330.84, with constructions and electrical stocks hardest hit.

Banks were stable, still soothed by Tuesday's comments by Mr Mario Conde, the former chairman of Banesto. Banco Central Hispano added Pta15 to Pta3,260 while Banco Santander added Pta50 to Pta6,590.

STOCKHOLM closed lower for the first time in 1994 mainly on profit-taking and awaiting the outcome of today's Riksbank council meeting. The Affärsvärlden general index dropped 13.2 to 1,495.3.

Volvo B bucked the trend to jump SKr8 to SKr585, with the climb attributed to positive analyses and car statistics. Ericsson B tumbled SKr8 to SKr353 on Wall Street declines.

OSLO lost out as investors took short term profits on recent gains. The all share index fell 6.08 to 641.23 in turnover of NKr784.4m.

Shipping shares bore the brunt of the falls but financials moved ahead on hopes of lower interest rates and good dividends from smaller companies.

BRUSSELS reversed early gains and the Bel-20 index lost 5.12 to 1,489.91. Turnover was BFr2.4bn. Clabecq added BFr60 to BFr840 on improved earnings prospects.

Written and edited by John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Jan 12 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1484.98	1482.57	1482.49	1483.33	1483.00	1480.63	1477.96	1475.06
FT-SE Eurotrack 200	1553.89	1553.87	1554.38	1554.67	1554.39	1551.02	1550.77	1547.81

	Jan. 11	Jan. 10	Jan. 7	Jan. 6	Jan. 5
FT-SE Eurotrack 100	1493.81	1483.27	1486.12	1481.29	1473.06
FT-SE Eurotrack 200	1565.49	1561.06	1559.88	1548.25	1540.12

Base value 1000 (26/10/90); Highday: 100 - 1484.98; 200 - 1556.42 Lowday: 100 - 1474.82 200 - 1547.81.

Time to reflect on gains seen in 1993

By John Pitt

It was an impressive year all round for the world's emerging markets in 1993, but the question now exercising many minds is whether similar returns can be expected in 1994.

Already in the first few days of the new year sharp declines have been recorded in a number of markets – Kuala Lumpur, Bangkok and Mexico for instance – although for different reasons.

With regard to the Asian region, some analysts find few surprises in the reverses being recorded: they note that there was substantial year-end book building and the current situation is a healthy return to more realistic levels.

However, a more measured opinion comes from Mr Jonathon Compton at Credit Lyonnais Securities. He suggests that the 100 per cent returns which have delighted investors over the last couple of years are unlikely to be repeated in 1994.

"Such returns are almost certainly unrepeatable this year, and I would expect instead to see something in the order of 10 per cent; still pretty good but not like people have been used to," he says.

Of particular concern is the situation developing in China, he adds, which is, he believes, heading towards a balance of payments crisis, sooner rather than later.

"One is looking at a 50 per cent probability that China will face a combination of high inflation, high interest rates and a weak currency."

Another factor likely to influence Asian trading this year, says Mr Compton, is the trend towards higher interest rates, heavily influenced by the situation in the US.

In Latin America, Brazil remains the unknown, depending on the outcome of the reform plan, but otherwise, says Mr Roger Palmer of Kleinwort Benson, the region is likely to be a beneficiary of a movement of funds out of other regions, particularly Asia.

In addition it can be expected that UK funds will move increasingly into Latin America since they have minimal exposure there at present, notes Mr Palmer.

If the Brazilian rescue package is supported by congress a further boost will be granted to both the country and the region.

The team at BZW in London find Mexico, Colombia, Argentina and Chile attractive.

SOUTH AFRICA

Gains in gold shares masked growing fears of a turnround in foreign sentiment. Golds rose 20 to 2,158 after Tuesday's 72-point fall, but industrials lost 31 to 5,646 as offshore buying dried up. The overall index shed 3 to 4,958.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Market	No. of stocks	Dollar terms: Jan 7 1994	Dollar terms: % Change over week	Dollar terms: % Change on Dec '92	Local currency terms: Jan 7 1994	Local currency terms: % Change over week	Local currency terms: % Change on Dec '92
Latin America							
Argentina	(25)	999.04	+0.6	+72.2	613,039.41	+0.5	[illegible]
Brazil	(57)	263.31	+13.1	+110.6	126,372,435.2	+24.4	[illegible]
Chile	(25)	582.72	+5.6	+39.2	1,005.72	+5.5	[illegible]
Colombia[1]	(11)	670.95	+4.1	+57.8	987.55	+4.4	[illegible]
Mexico	(70)	1,017.00	+1.6	+50.4	1,362.31	+1.5	[illegible]
Peru[2]	(11)	119.52	-1.2	+19.5	159.33	+0.2	[illegible]
Venezuela[3]	(11)	611.15	+3.3	+17.6	1,476.88	+3.9	+58.2
East Asia							
China[4]	(18)	144.04	-3.5	+44.0	159.36	-3.5	+58.4
South Korea[5]	(156)	120.04	+1.6	+22.3	128.27	+2.2	+26.1
Philippines	(18)	329.69	-3.2	+146.9	430.03	-3.2	+166.0
Taiwan, China[6]	(90)	138.85	+2.7	+88.2	136.94	+2.4	+86.4
South Asia							
India[7]	(77)	126.18	+8.5	+34.6	139.53	+8.5	+46.1
Indonesia[8]	(37)	129.24	+3.7	+120.2	148.26	+4.1	+125.4
Malaysia	(105	321.93	-5.0	+96.8	312.27	-7.3	+97.9
Pakistan[9]	(15)	409.50	+5.6	+104.6	557.53	+5.8	+140.5
Sri Lanka[10]	(5)	178.10	+0.5	+78.1	192.24	+0.7	+92.2
Thailand	(55)	445.55	-6.7	+83.4	451.83	-6.5	+83.8
Euro/Mid East							
Greece	(25)	263.91	+15.9	+35.1	443.88	+15.4	+55.9
Jordan	(13)	172.05	+3.9	+47.3	249.96	+4.4	+50.7
Portugal	(25)	115.75	+1.7	+50.1	139.83	+1.2	+79.4
Turkey[11]	(40)	247.48	+16.4	+270.1	1,724.14	+18.5	+542.9
Zimbabwe[12]	(5)	178.85	-11.5	n.a.	224.75	+5.2	n.a.

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 6 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10) Dec 31 1992; (11)Aug 4 1989; (12)July 2 1993.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS. Figures in parentheses show number of lines of stock	Tue Jan 11 1994: US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	Mon Jan 10 1994: US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Dollar Index: 1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	172.36	+0.7	171.35	122.55	155.91	166.12	+0.4	3.10	171.15	169.68	121.41	154.01	165.51	172.36	117.39	119.14
Austria (17)	189.61	+0.6	188.50	134.82	171.61	171.20	+1.0	0.93	188.51	186.88	133.73	169.63	169.44	189.61	131.16	132.18
Belgium (42)	164.79	-0.1	163.83	117.16	149.06	147.35	+0.2	3.90	164.91	163.48	116.97	148.39	147.05	166.01	131.19	133.82
Canada (107)	140.42	-0.6	139.60	99.84	127.00	134.34	-0.1	2.50	141.23	140.01	100.18	127.08	134.41	141.23	111.41	113.36
Denmark (32)	260.47	+0.4	258.96	185.20	235.60	239.22	+0.8	0.95	259.40	257.16	184.02	233.42	237.35	260.47	185.11	189.37
Finland (22)	135.87	+1.2	135.07	96.61	122.90	164.06	+1.4	0.64	134.32	133.16	95.29	120.87	161.77	135.87	65.50	70.14
France (99)	182.15	+0.7	181.09	129.51	164.75	169.03	+1.0	2.75	180.83	179.27	128.27	162.70	167.39	182.15	142.72	143.55
Germany (59)	138.23	-0.8	137.42	98.30	125.03	125.03	-0.3	1.66	139.31	138.11	98.84	125.36	125.36	142.38	101.59	102.48
Hong Kong (56)	461.43	-2.1	458.74	328.09	417.39	457.64	-2.1	2.39	471.12	467.05	334.20	423.95	467.25	506.66	218.82	227.36
Ireland (14)	199.20	-1.7	198.04	141.64	180.18	196.08	-0.9	2.89	202.60	200.85	143.72	182.30	197.90	202.60	129.28	142.64
Italy (69)	67.25	+2.1	66.86	47.82	60.83	85.47	+2.1	1.92	65.87	65.30	46.72	59.27	83.73	78.93	53.78	54.76
Japan (468)	134.21	-0.4	133.42	95.42	121.41	95.42	-0.2	0.86	134.74	133.57	95.58	121.26	95.58	166.91	100.75	102.55
Malaysia (69)	535.22	-7.1	532.10	380.55	484.10	558.44	-5.5	1.30	576.28	571.31	408.79	518.55	591.82	621.63	251.66	253.02
Mexico (18)	2270.69	-5.7	2257.43	1614.54	2053.88	7717.33	-5.9	0.66	2407.56	2386.78	1707.91	2166.42	8197.00	2457.89	1410.30	1675.44
Netherland (26)	202.33	-0.5	201.15	143.86	183.01	179.82	+0.0	2.95	203.45	201.69	144.32	183.07	179.85	203.59	150.39	160.98
New Zealand (14)	70.27	+0.4	69.86	49.97	63.56	66.51	+0.1	3.52	69.97	69.36	49.64	62.96	66.51	70.27	40.56	41.88
Norway (23)	191.41	+0.3	190.29	136.10	173.13	195.24	+0.9	1.31	190.78	189.13	135.34	171.67	193.58	191.41	137.71	145.25
Singapore (45)	351.46	-4.0	349.41	249.90	317.90	260.16	-3.5	1.59	366.20	363.03	259.78	329.51	269.53	378.92	207.04	209.23
South Africa (60)	272.93	-2.0	271.34	194.06	246.88	255.32	-1.8	2.21	278.48	276.07	197.54	250.58	260.20	280.26	144.72	158.64
Spain (42)	142.04	+1.6	141.21	101.00	128.48	155.41	+1.6	3.85	139.76	138.56	99.15	125.78	152.96	145.24	115.23	118.25
Sweden (36)	209.31	-1.0	208.09	148.83	189.33	253.84	-0.3	1.37	211.43	209.60	149.99	190.25	254.57	211.43	149.70	158.90
Switzerland (49)	165.07	-0.5	164.11	117.38	149.33	151.20	+0.2	1.43	165.88	164.45	117.68	149.28	150.87	168.68	108.91	109.93
United Kingdom (215)	207.51	-1.0	206.29	147.53	187.68	206.29	-0.7	3.48	209.55	207.74	148.64	188.55	207.74	209.55	162.00	170.73
USA (518)	192.85	-0.2	191.73	137.13	174.45	192.85	-0.2	2.70	193.25	191.58	137.09	173.90	193.25	193.25	175.38	176.19
Europe (745)	172.24	-0.4	171.24	122.47	155.80	167.08	+0.0	2.72	172.86	171.37	122.63	155.56	167.07	172.86	133.92	134.37
Nordic (113)	202.30	-0.3	201.11	143.84	182.98	213.02	+0.3	1.17	202.89	201.14	143.93	182.57	212.44	202.89	142.13	145.78
Pacific Basin (722)	147.69	-0.8	146.83	105.02	133.59	108.30	-0.5	1.13	148.81	147.52	105.56	133.90	108.87	168.80	105.89	107.28
Euro-Pacific (1467)	157.75	-0.6	156.83	112.16	142.68	130.83	-0.3	1.85	158.66	157.29	112.55	142.76	131.20	162.86	117.26	118.23
North America (625)	189.57	-0.2	188.47	134.81	171.50	188.62	-0.2	2.66	189.93	188.35	134.60	170.99	189.19	189.99	171.51	172.29
Europe Ex. UK (530)	150.12	+0.0	149.24	106.76	135.81	143.97	+0.5	2.22	150.05	148.75	106.46	135.05	143.31	150.12	112.51	112.77
Pacific Ex. Japan (253)	276.33	-2.3	274.72	196.51	249.97	256.28	-2.1	2.36	282.88	280.44	200.70	254.57	261.71	296.36	152.70	153.61
World Ex. US (1652)	159.95	-0.7	159.01	113.74	144.68	134.11	-0.4	1.86	161.04	159.65	114.25	144.92	134.64	162.69	118.51	119.47
World Ex. UK (1955)	166.33	-0.4	165.36	118.27	150.46	147.30	-0.3	2.02	167.07	165.63	118.53	150.35	147.71	168.66	134.22	134.62
World Ex. So. Af. (2110)	169.27	-0.5	168.28	120.37	153.12	151.56	-0.3	2.17	170.09	168.62	120.67	153.07	152.02	170.46	137.29	137.63
World Ex. Japan (1701)	190.24	-0.5	189.13	135.28	172.10	186.62	-0.4	2.64	191.27	189.62	135.70	172.14	187.33	191.27	157.47	157.47
The World Index (2170)	169.91	-0.5	168.92	120.82	153.70	152.39	-0.3	2.18	170.76	169.29	121.14	153.57	152.88	170.76	137.32	137.66

Copyright, The Financial Times Limited, Goldman, Sachs and Co. and NatWest Securities Limited. 1987
Latest prices were unavailable for this edition.

This information appears as a matter of record only.
The bonds described below have already been offered for sale.

New Issue
January 12, 1994

Dresdner Finance B.V.
Amsterdam, The Netherlands

DM 475,000,000
5⅜% Bearer Bonds of 1994/1999

under the unconditional and irrevocable Guarantee and with Warrants attached to subscribe for Bearer Shares of

Dresdner Bank
Aktiengesellschaft

Issue Price: 115%

Dresdner Bank
Aktiengesellschaft

Banque Nationale de Paris S.A. & Co. (Deutschland) OHG
Schweizerische Bankgesellschaft (Deutschland) AG

ABN AMRO Bank (Deutschland) AG
Banca Commerciale Italiana — Gruppo Banca Commerciale Italiana
Bank Austria
Indosuez Capital
Banque Paribas (Deutschland) oHG
Barclays de Zoete Wedd Limited
Caisse des Dépôts et Consignations GmbH
Commerzbank Aktiengesellschaft
CSFB-Effectenbank Aktiengesellschaft
Daiwa Europe (Deutschland) GmbH
Den Danske Bank
Deutsche Bank Aktiengesellschaft
Enskilda Corporate Skandinaviska Enskilda Banken
Robert Fleming (Deutschland) GmbH
Goldman, Sachs & Co. oHG
Kleinwort Benson Securities
Lehman Brothers Bankhaus AG
Merrill Lynch Bank AG
J. P. Morgan GmbH
Morgan Stanley GmbH
Nikko Bank (Deutschland) GmbH
NOMURA BANK (Deutschland) GmbH
N. M. Rothschild and Smith New Court
Salomon Brothers AG
J. Henry Schroder Wagg & Co. Limited
Schweizerischer Bankverein (Deutschland) AG
Société Générale – Elsässische Bank & Co.
S. G. Warburg & Co. GmbH
Westdeutsche Landesbank Girozentrale
YAMAICHI BANK (Deutschland) GmbH

مكتبة الأصل